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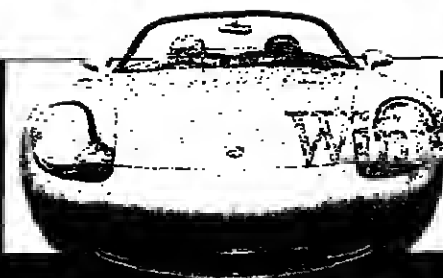
FRIDAY 26 JANUARY 1996



Madonna and the legend of Evita
A nation in uproar
Section Two

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EMU plans may collapse within weeks

France and Germany 'to pull out'

MICHAEL SHERIDAN
Diplomatic Correspondent
and SARAH HELM
Brussels

The French and German governments will admit within weeks that the European Monetary Union may have to be postponed, according to the Maastricht Treaty timetable, senior ministers say.

The recession in Germany and social unrest in France have made it impossible for EMU to go ahead in 1999 as planned, according to the Maastricht Treaty timetable, senior ministers say.

They believe that "the moment of truth is approaching" - not about the principle of EMU but about the dates. A groundswell of public criticism by European political and financial leaders will force the French and German governments to clarify their intentions in the next few weeks, the ministers say privately.

They conclude that France and Germany will need to announce either a change to the date set for monetary union or a change to the rigid financial criteria for membership of the single currency imposed by the Maastricht Treaty. But there is agreement that the Government should remain officially silent while doubts are heaped on the project by some of its most fervent supporters, such as the former EU Commission President Jacques Delors.

The French and German governments announced yesterday that there was no question of re-examining the 1999 terms and timetable for EMU. But the public facade masks confusion and uncertainty, at least in Paris. Two senior French ministers broke ranks with the official line yesterday, although one recanted later under government pressure. The industry

minister, Franck Borotra, said that if he had to choose between Maastricht and jobs, he would choose jobs. The Foreign Minister, Hervé de Charette, told a French radio station that it might be useful to interpret the rigid EMU conditions on public spending more flexibly, as proposed on Wednesday by the former President, Valéry Giscard d'Estaing. But Mr de Charette back-tracked later.



Helmut Kohl: Holds key to future of single currency

Despite mounting doubts about EMU across the continent, officials in Brussels said dire predictions in London of imminent collapse could be motivated in part by wishful thinking and a political decision to fuel the crisis. A collapse of monetary union now would give an enormous political boost to Mr Major, defusing Euro-sceptic attacks.

One official, close to EMU policy-making, said he was "astonished" to hear that British ministers were taking such an apocalyptic line, which was entirely out of tune with the official Foreign Office assessment. The Chancellor, Kenneth Clarke, also told reporters this week that he still expected EMU to go ahead on schedule.

"The fact that one or two people have raised questions this week should mean that suddenly everyone - the Germans included - are going to lose their cool and allow the thing to collapse in weeks seems extraordinary," said one source.

But senior British sources say all will depend on whether Chancellor Kohl of Germany can be prevailed upon to relax the financial conditions by President Jacques Chirac of France, who faces further domestic political upheaval if he pushes ahead with the rapid public spending cuts needed to qualify the franc for EMU membership. The verdict in London is that Chancellor Kohl will not be able to overcome monetarist resistance by the Bundesbank and doubts by German public opinion.

Particular attention has been attracted by the statement earlier this week by the Spanish Minister Carlos Westendorp, one of the key players in driving forward formal proposals for closer European integration. Mr Westendorp said it might be necessary to "stop the clock" on EMU - in other words freeze the timetable, rather than formally admit to a delay.

British Ministers discount speculation on the financial markets that Chancellor Kohl and President Chirac could defy the sceptics and stage a lightning move to link their currencies immediately, accompanied by a one time devaluation of the French franc. It is thought that any such move would generate "huge resentment" and among countries such as Italy, Spain and the Benelux. The crisis over EMU is certain to be discussed at least in the margins of a meeting of European Foreign Ministers scheduled to take place in Brussels next Monday.

New Labour, new media, new message?



With yesterday's launch of New Labour's £2m media centre at Millbank Tower in central London the party's spin doctors will be slicker than ever.

The 20,000 square foot super high-tech centre will bring together over 100 staff in the party's media office, its famous "instant response" rebuttal unit - complete with its mysterious computer Escalibur, campaign project units, and key seats unit. Oh yes, there's policy as well.

Facilities at the centre include state of the art lighting and sound systems, satellite and internet links, flat screen video walls and fibre optic link to broadcast links "throughout the world".

cast links "throughout the world". Tony Blair (centre), John Prescott (second right), Robin Cook (left), Tim Sawyer (second left) and Gordon Brown (in praying pose) were much in evidence at the launch and will all be based there during the next election campaign.

Irish accuse Major of bad faith

COLIN BROWN and Katherine Butler in Strasbourg

John Major last night sought to heal a damaging rift with John Bruton, the Irish Prime Minister, after British plans for elections to force a breakthrough in the stalled Northern Ireland peace process led to accusations of a bad faith by London.

The disagreement threatened to sour relations between the two Prime Ministers. Mr Bruton and Dick Spring, the Irish Foreign Minister, accused

Mr Major of acting unilaterally, after being caught off-guard. The SDLP leader, John Hume, was wrong-footed, and on the defensive yesterday after appearing to condemn democratic elections, which he warned would lead to a "shouting match".

Sir Patrick Mayhew, the Northern Ireland Secretary, said the prospect of a "shouting match" was better than a "shooting match" and British officials angrily denied the British attitude threatened a return to violence.

"Tell that to the IRA. We are

working our huts off trying to find a mechanism that is acceptable to all the parties that gets us into all party negotiations," said one senior official.

Irish nationalist politicians yesterday remained unconvinced by British assurances that John Major's proposal of a new elected body was not a device to mollify Unionist MPs and to further postpone all-party negotiations.

Much bitterness was evident both at Mr Major's sudden change of tack and by the way in which he went about it, which was variously described

as a political mugging and an ambush.

Dublin sources rejected Downing Street claims that the Taoiseach, John Bruton, had been properly informed by Mr Major in advance of his surprise Commons announcement.

Sinn Féin president Gerry Adams, meanwhile, said it was opposed to the proposal and accused the Prime Minister of acting in bad faith. "Mr Major rejected the core of the Mitchell report, scuppered the twin-track approach and the February date for all-party talks, and in their place has produced a

new pre-condition based on a Unionist proposal," he said.

Downing Street officials were stung by the reaction from the Irish Government and insisted that Mr Bruton had been kept fully informed of the British plans with a telephone call between the two Prime Ministers on Tuesday evening, and in an exchange of their statements before they were made to the two parliaments.

The Prime Minister's officials said Mr Bruton had given the impression that the proposal for elections was something Dublin could "live with".

IN BRIEF

'Unlawful killing' verdict
A jury yesterday returned a verdict of unlawful killing at the inquest of an asylum seeker who died after a struggle with police officers who were trying to arrest him in Stoke Newington, London. Page 2

Rifle execution
A child killer and rapist who said that he would rather die at the point of a rifle than by lethal injection awaited the first execution by firing squad in the United States in 19 years early today. Page 8

Today's weather
Very cold and windy with some snow. Section Two, page 33



Official: loud rock music falls on truly deaf ears

CHARLES ARTHUR
Science Correspondent

Scientists have confirmed what parents have known for years: that ear-blasting rock concerts and long nights at discos can turn you deaf.

New research suggests that thousands of young people could develop serious hearing problems much sooner than their predecessors, where deafness generally develops after the age of 60. It also suggests that noise from leisure pursuits has replaced workplace noise as the biggest risk to hearing. Yet there are no legal limits on the sound levels permissible at clubs or concerts - even if they would be illegal in a factory.

A study of 1,364 people aged between 14 and 40 in the city of Nancy, France, found that of those who went to rock concerts once a month, 44 per cent showed symptoms of temporary hearing loss. This included ringing in the ears - tinnitus - and deafened hearing. The research, by a French hearing specialist, also showed that almost two-thirds of those who went to concerts more than twice a month had such symptoms.

Meanwhile, in the UK, a wide-ranging study by the Medical Research Council in Nottingham indicates that young people who go regularly to clubs are three times more likely to complain of tinnitus. Dr Adrian Davis, who headed the

study, will tell an international conference in June that about 30 per cent of young British adults experience significant exposure to high levels of noise and complain of problems conducting conversations against a background noise.

Sound levels at rock concerts and clubs often top 100 decibels, compared to the legal level permitted by the Health and Safety Executive, which is an average of 85dB over eight hours. A number of rock musicians have suffered serious hearing loss, including Pete Townshend, the Who's guitarist, and the heavy metal band Metallica. Dr Davis said some bands and security staff at their concerts had resorted to ear-plugs.

Howe rails against Scott

CHRIS BLACKHURST
Westminster Correspondent

Lord Howe, the former Foreign Secretary, yesterday launched a ferocious attack on Sir Richard Scott, as the Conservatives appeared to open a concerted pre-emptive strike against his arms-to-Iraq report, due next month.

Lord Howe castigated Sir Richard in *The Spectator*. Sir Bernard Ingham, Baroness Thatcher's former press secretary, simultaneously fired another broadside in the *Daily Express*, claiming Sir Richard, a senior judge, risked causing "grave bodily harm" to the judiciary. Robin Cook, Labour's Shadow Foreign Secretary, said: "We had expected there to be a backlash. The Conservatives are clearly worried about what the report might say."



Sir Richard Scott: Fierce attack on his procedures

Both authors pursued identical themes. "This is a story in which there are no villains," wrote Lord Howe. "British policy was in principle almost sanctimoniously virtuous. Almost

alone among the industrial nations, we had banned the supply of 'defence-related equipment' to Iran and Iraq alike. From one or other of our competitors - the Soviet Union or Germany, China or France - these weapons were always available. Not from Britain."

Sir Bernard's article continued the theme: "Judges dry or wet - and Sir Richard is waterlogged - should not be asked to pronounce on how governments have reconciled the national interest in the shifting sands of Middle East politics, when our less scrupulous competitors are scrambling for every arms contract they can lay their hands on."

Lord Howe lambasted Sir Richard for not allowing legal representation for witnesses, which was recommended for in-

quisitorial inquiries by the Salmon Commission in the 1960s. He said it was an elementary right for a witness to be examined by one's own lawyer, and of having adverse evidence tested by cross-examination. "But not, astonishingly, by the Scott Inquiry."

Sir Richard, Lord Howe wrote, "had indeed explicitly discarded the established principles." This was echoed by Sir Bernard: "Sir Richard will make what are essentially political judgments after astonishingly adversarial hearings, which ignored half the principles for the conduct of inquiries laid down by Lord Justice Salmon in 1966."

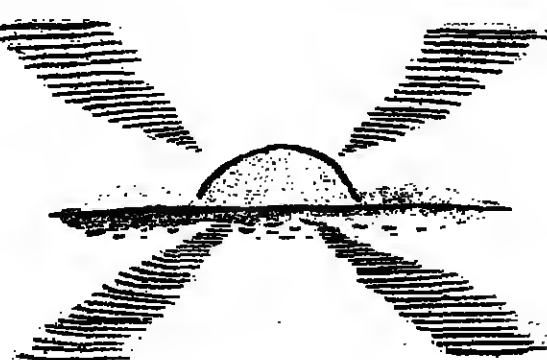
Lord Howe criticised "Sir Richard's iconoclastic decision thus to engage himself at the inquisitorial heart of matters".

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news

Sexism storm as women-only book prize launches

MARIANNE MACDONALD
Media Correspondent

The founders of Britain's newest and largest book prize denied sexism at the launch of the award for women novelists only yesterday.

The Orange Prize for Fiction offers £30,000 for the best English-language novel of the year written by a woman. £10,000 more than the Booker Prize and £9,000 more than the Whitbread Book of the Year. It is

aiming for the same literary high ground as the Booker, intending to "celebrate excellence, originality and accessibility". Women of all nationalities are eligible and the five judges will all be female.

Kate Mosse, the novelist who chairs the judges, said the prize had partly been sparked by the Booker Prize's 1991 shortlist when all six authors – including Martin Amis, Ben Okri and Roddy Doyle – were men.

"It wasn't complaining,

stamping our feet and saying 'This isn't fair'. But whether from taste, tradition or expectation most women don't find their way onto shortlists and even fewer actually win," she said.

The Booker, which is open to Commonwealth writers, has shortlisted 153 writers since 1969. Of those, 57 have been women. In the same period it has had 29 winners, of whom 10 were women.

"Just imagine what people

would say if Booker released a shortlist with only women. Everyone would see it as an enormous political statement," Ms Mosse said.

She acknowledged that in the last two months both the Booker and the Whitbread had chosen female winners – Pat Barker for *The Ghost Road* and Kate Atkinson this week for *Behind the Scenes at the Museum*.

"But that is very, very rare. It has never happened before," she added. Whitbread has had

only one previous female winner since 1985 – Joan Brady for *Theory of War*.

The crucial question for the founders of the Orange Prize is whether the best women writers will want to associate themselves with an award arguably tainted by the "lame-duck" brush.

Eighteen months ago the late Sir Kingsley Amis helped derail his original launch when he said disdainfully: "If I were a woman, I would not want to

win this prize. One can hardly take the winner of this seriously."

The then sponsors, Mitsubishi, pulled out and have been replaced by Orange, the mobile phone company.

Yesterday A S Byatt, the 1990 winner of the Booker for *Possession*, was unsure whether she would wish to enter. "I am against anything which ghettoises women. That is my deepest feminist emotion," she said. "I think these women judges

should be asked in each year of the Booker which women had written a very important book that should have been shortlisted. My opinion is for the last 10 years or so it is observable that there have not been as many good women writers as men."

The first Orange Prize will be awarded on 15 May. Novels published in the UK between 1 April last year and 31 March this year are eligible; entries will be submitted by publishers.

A force under fire: Day of shame for Scotland Yard as inquest finding adds to woe over damages defeat

Nigerian killed unlawfully by police, jury says

JOJO MOYES and HEATHER MILLS

A jury yesterday returned a verdict of unlawful killing at the inquest into the death of an asylum seeker who died while in the custody of Stoke Newington police.

Shiji Lapite, a 34-year-old Nigerian, died of asphyxiation in December 1994 shortly after he was involved in a struggle with officers who were attempting to arrest him on suspicion of possessing drugs.

The verdict came at the end of a bad day for the Metropolitan Police's reputation. In one court, the force paid out over £90,000 in costs and damages to a teacher, trainee solicitor and award-winning photographer who claimed they had been assaulted. Falsely imprisoned and maliciously prosecuted by officers – one of whom had applied a neck hold. In another, a former officer with 24 years service was convicted of jury tampering.

Meanwhile in the Commons, the Public Accounts Committee lambasted Scotland Yard for failing to notice that its accountant, Anthony Williams, had stolen £5m from police funds.

The Lapite verdict – the second unlawful killing verdict in three months on a man in po-

lice custody – was swift and unanimous.

It has triggered fresh controversy about the use of neck holds by police when controlling suspects. Coroner Dr Stephen Chan called upon the Association of Chief Police Officers to "ensure that all police officers are left in no doubt of the hazards and danger of this practice."

After the verdict, Deborah Coles, co-director of Inquest, which helps the families of those who die in custody, said the verdict was an indictment of the police.

"Previous deaths have resulted from neck holds and yet they haven't been banned and therefore, there will remain a doubt about the accountability of the police," she said.

Olumide Susan Jones, Mr Lapite's wife, described the hearing as "traumatic". She added: "I'm relieved that my children are going to grow up to learn that their father was unlawfully killed by the police."

The inquest, at St Pancras Coroner's Court, north London, heard that Mr Lapite, who had two children, had been stopped for "acting suspiciously" in Clapton, east London, shortly before midnight on December 15 1994 by two plain clothes police officers.

During what officers Paul Wright and Andrew McCullum described as "a violent struggle", PC Wright, 28, told the court that Lapite had attempted to strangle him, although a Home Office pathologist said that "serious doubt must be thrown on the allegation" because of the lack of marks around the officer's neck.

Mr Lapite, who PC McCullum admitted kicking twice in the head "as hard as he could", was placed in a neck hold during the struggle and eventually overpowered. He was found to have sustained a fracture to his voice box, the cause of death being recorded as "asphyxiation, with a contributory cause of cocaine intoxication."

Neither officer was able to explain what Dr Chan described as the "gross disparity" of injuries sustained by Lapite and the officers.

Yesterday as the Crown Prosecution Service said it would reconsider its earlier decision not to prosecute any of the officers involved in Lapite's death, Scotland Yard said the two officers remained suspended.

A spokesman said that it would also be sending a dossier to the Police Complaints Authority to see if any disciplinary action should follow.

Met under fire, page 7



Victim: Shiji Lapite, who died after a struggle with police

Photograph: Photomax

Night of joy that turned to terror

Shiji Lapite had plenty of cause to celebrate on 15 December 1994, writes Jojo Moyes. The Nigerian father-of-two who had lived in Britain since 1970 for three years had that day been given leave to stay, pending consideration of his claim for asylum.

He was last seen shortly before midnight after popping in to his favourite restaurant in north-east London, where he bought drinks for his friends.

Ten minutes later, according to police reports, Lapite had become "the most violent man I have ever come across"; a man whose extreme strength and aggressiveness, they said, suggested the use of crack cocaine. He had also grown three inches, to 6ft 11, instead of the 5ft 10 recorded by a Home Office pathologist.

"The police tried to paint a picture of him as a violent, drug-crazed drunk who was out of control and that was a tactic which really backfired on them," said Ken Fero, a family friend yesterday.

"They used that when they described Joy Gardner. They were even using the same words: 'the most violent woman I've ever come across'."

His friends and family say he was a "deeply religious" man. They are at a loss to explain the 41g of crack cocaine which was apparently placed by a tree by Lapite shortly before his arrest.

"He didn't take drugs," says Nigel Lewis, with whom Lapite had been staying shortly before his death.

Lapite sustained 45 injuries during his arrest. One witness described how he had heard "terrible screams, like someone was being hurt", before he saw Lapite being carried into a police van.

According to the arresting officers, from Stoke Newington police station, Lapite, had "pretended to be unconscious". When the officers realised that Lapite's condition had deteriorated, he was taken to nearby Homerton Hospital where he was pronounced dead.

"We still feel there's a lot more that needs to be revealed about what happened and what's happening in Stoke Newington in general," said Mr Fero.

IN BRIEF

Yorkshire water faces drought rap

Drought-hit Yorkshire Water wasted two months last summer during which it failed to plan emergency measures while the region's water shortage crisis grew, it was revealed.

This is the judgement of Government inspector Stuart Nixon, who held a public inquiry into the company's application for an emergency drought order last November. If granted it would have allowed Yorkshire Water to cut off more than half a million people for 24 hours in every 48.

The inquiry report, just published after being sent to the Secretary of State for the Environment, John Gummer, says through September and October it acted as if it was dealing with a minor drought. In the end some winter rainfall led to Yorkshire Water withdrawing its application. Mr Nixon recommended the emergency order should have been granted, with strict conditions.

Gascoigne charged

An Italian judge ordered English soccer international Paul Gascoigne to stand trial on a charge of assaulting a photographer during a scuffle in Rome in January 1994, where he played for Lazio. Judicial sources said. The trial will take place next October.

MPs' pay claim

Over 100 staff of the House of Commons earn more than an MP's salary, it was revealed. There are 50 clerks, 19 librarians and 19 editors of Hansard, the official report of the House's proceedings, who earn more than the basic £33,189 salary for MPs, a parliamentary answer confirmed.

Suicide blood link

Dutch scientists have explained a link between low cholesterol levels and the high risk of violent death and suicide, says a report in the British Medical Journal. Blood samples from more than 30,000 men showed those with low cholesterol levels also had low levels of serotonin, known to occur in depressed and suicidal people.

Strike peace offer

A peace formula is to be put to a postal ballot of sacked Liverpool dockers in an attempt to end a four month conflict which has cost the Mersey docks company £4m. The 329 port workers, who were dismissed for refusing to cross picket lines, have been offered compensation of up to £25,000.

Dead baby case

The fate of a British woman charged with murdering her new born baby was set to be decided late yesterday in a New York court. Caroline Beale, 30, from Leytonstone, east London, was arrested 16 months ago at the city's Kennedy airport carrying the dead baby girl under her coat. Prosecutors say despite her "delicate mental condition" she will face trial unless she agrees a plea bargain.

Lord Eliot – Apology

On 22 December 1995 *The Independent* carried an erroneous report of the arrest of Lord Jago Eliot for possession of cannabis plants at his Cornish home. We wrongly stated that £30,000-worth of cannabis, including cannabis chocolates had been found there, when this had in fact been seized in unconnected raids in the area on the same day. We apologise unreservedly to Lord Jago Eliot for our error and for any distress or embarrassment caused.

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Warnings about neck holds failed to prevent death

HEATHER MILLS
Home Affairs Correspondent

Senior police officers have long recognised neck holds were dangerous to the point of being lethal – but have always fallen short of a total ban on their use.

When Shiji Lapite was arrested in December 1993, official guidance stated that strangleholds should be used only as a last resort.

Those guidelines were issued by chief police officers following an inquiry and inquest into the death of Oliver Pryce,

another 30-year-old black man. Mr Pryce, suffering a mental breakdown, had hurled himself into the path of a slow-moving ambulance.

Police called to the scene grabbed him in a neck lock, bundled him face down into the back of a van and drove him to a police station. On arrival, he was found to have stopped breathing.

As in Mr Lapite's case, the inquest jury decided Mr Pryce had been "unlawfully killed" – but no charges or disciplinary action were brought. However, last

year, Cleveland police – in a rare admission of liability – did pay undisclosed but "substantial" damages to Mr Pryce's family.

And there have been others who have died following the application of head or neck holds.

Clinton McCurbin died in Wolverhampton in 1987, James Davey in Littleport police station, Coventry, in 1983. Winston Rose and Nicholas Ofusa, both mentally ill black men, died in police stations, in 1981 and 1983, after inhaling their own vomit and John Lamale died of a stroke, nine days after he

had been held in a lock which caused a blood clot in an artery leading to his brain.

Neck locks can cause death in seconds, by obstructing the flow of blood to or from the brain or by triggering a reflex action in the carotid artery which can cause sudden cardiac arrest.

Professor Bernard Knight, a consultant Home Office pathologist, says they should be used only in truly life-threatening situations: "They are dangerous holds that can never be controlled in a struggle," he told the *Independent*.

In fact, policemen and women have not been trained, in recent years, to use neck holds, but those skilled in martial arts or those who have served in the military have been known to use them. The Lapite inquest jury heard that PC Paul Wright, who had held Lapite in the neck lock, had previously served in the Army. According to one senior officer, others have used them "instinctively" when in violent struggles.

Following Mr Lapite's death, the Association of Chief Police Officers issued new guidance to

all forces, warning of the dangers of neck and strangleholds and stressing that they should only be used in exceptional circumstances and officers would have to justify that it was a "reasonable" use of force.

But there remain concerns about the lack of thorough training and instruction in the use of control and restraint generally. In November, an inquest jury again returned a verdict of "unlawful killing" against the Metropolitan Police in the case of Richard O'Brien, who died after a struggle with police.

Government sell-off left taxpayers a £280m bill

CHRIS BLACKHURST
Westminster Correspondent

In one of the most bizarre Government sell-offs, the buildings management arm of the Property Services Agency was sold for £10.4m, but the taxpayer was left holding a bill for £280m in redundancy costs.

A study by the National Audit Office, the public finance watchdog, issued today, lays bare the details of the scheme. In 1993, the five regional branches that comprised the PSA's buildings management division were bought by four separate businesses.

Total net proceeds were

£10.4m, although the buyers of three of the five – North-East, South-East and South-West – were allowed to delay payment for up to five years, while the purchaser of BM Manchester was in effect paid £11.5m to take it off Government hands.

To pave the way for the sale, the total workforce was reduced from 15,000 in April 1990 to 6,700 in September 1993. Job cuts before the sale cost £135.3m. The Government also agreed to pick up the bill for redundancies after the sale, costing £146.4m, making a grand total of £281.7m.

As part of the deal, PSA further guaranteed redundancy

payments if the new owners went bust within five years of the sale and staff who moved across, lost their jobs. This could lead to a bill for an extra £51m for the public purse.

The DoE was unable to give clear figures on the cost of closing the division, rather than selling it off. The NAO said it was unable to conclude whether it made more economic sense to shut the five branches down.

Despite raising just £10.4m for the taxpayer, the privatisation cost £14m, the bulk of which went to City accountants, Coopers & Lybrand, KPMG Peat Marwick and Ernst and Young.

Jobless gardener walks 160 miles to interview

IAN MACKINNON

A jobless gardener who walked 160 miles for an interview because his JobCentre would not pay the coach fare will have to wait a further two weeks to hear if his marathon trek has paid off.

Chris Owen, 26, yesterday emerged from his interview at a recruitment agency still bitter that he had been forced into the five-day march to try to land the six-month contract.

Government policy dictates that his JobCentre was unable to pay the £18.50 return fare under the Travel to Interview Scheme because the job working as a gardener abroad was for less than a year.

Mr Owen, concerned that media attention would deter his potential employer, refused to disclose the name of the company that is recruiting gardeners to work in Italy, Greece, Corsica, Sardinia and Italy.

Last night he and his friend Richard Morgan, 31, who had accompanied him, were making their way back to Cymbran, Gwent, courtesy of British Rail.

Eric Forth, the Employment minister, said: "If someone wants to dramatise his position by doing [that], that is entirely a matter for him." Labour's employment spokesman, Michael Meacher, said it was "absolutely absurd" that the JobCentre had refused to pay the fare.

Tory candidate backed Karadzic

JOHN RENTOUL
Political Correspondent

Labour yesterday demanded that the Prime Minister repudiate John Kennedy, a Tory parliamentary candidate who has defended a Bosnian Serb leader accused of war crimes.

Mr Kennedy, originally John Gvozdenovic, has spoken on television seeking to explain the actions of Radovan Karadzic, the Bosnian Serb leader wanted by the United Nations for crimes tribunal on charges of genocide for "ethnic cleansing".

More recently, Mr Kennedy, without naming Mr Karadzic, said that anyone against whom

there is evidence must answer charges.

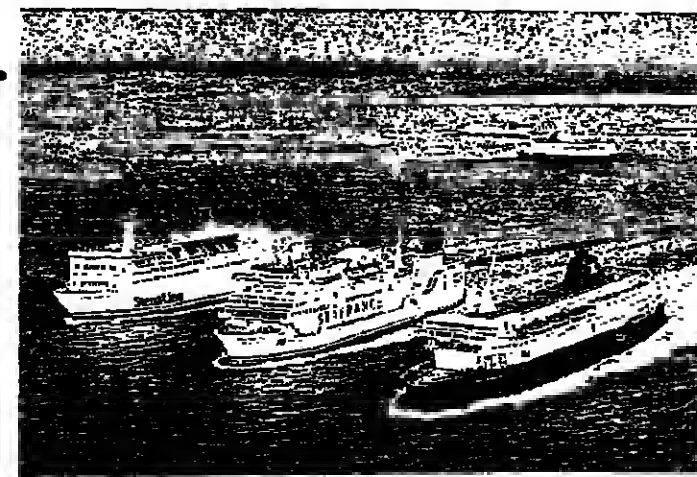
Calum Macdonald, a Labour MP interested in Bosnia, said: "Karadzic has the blood of thousands of innocent civilians on his hands. It is an absolute disgrace that an apologist for an indicted war criminal should be selected as a Tory candidate. I shall be writing to the Prime Minister today calling upon him to dissociate himself from the views of Mr Kennedy."

Mr Kennedy, who has denied being an apologist for Mr Karadzic, was selected eight weeks ago as the Conservative candidate for Halesowen and Rowley Regis, a new marginal seat in the West Midlands.

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Law Society hit by fresh split over fees

The Law Society was damaged by further splits yesterday over plans to hike conveyancing fees, and tabloid coverage of the personal life of the president, Martin Meares, writes Stephen Ward.

Mr Meares' pledge to stamp out cut-price conveyancing and boost solicitors' incomes was one of his key promises when he was voted in last year in the first contested election for 40 years. But yesterday the Law Society was given counsel's opinion

that almost all the ways Mr Meares and his deputy, Robert Savers, planned to try to impose minimum fees would be unlawful price-fixing.

Their only remaining possibility is a scheme to refuse insurance cover to solicitors who charge low fees, but they conceded at a meeting of the Society's ruling council that they would have to delay while they appointed independent experts to try to establish that cheap solicitors made more claims.

Ernie cuts back on Premium Bond winners

NIC CICUTTI and
REBECCA FOWLER

Ernie, the computer genius whose whirrings have sent frissons through generations of Premium Bond holders, has suddenly turned mean.

His masters at National Savings, who have been paying out an average of 390,000 prizes a month, announced yesterday that they will be cutting that number down to 350,000.

Although the £1m jackpot

and other prizes down to £500 will remain and in some cases be boosted, reflecting the National Lottery's high-money appeal among the public, the chances of winning £100 or £50 will drop significantly.

National Savings said yesterday that its decision to cut the number of small prizes was prompted by the need to bring down the amount paid out each month. From May onwards payouts will decline from 5.2 per cent to 4.75 per cent of all Bonds

in each monthly draw. A spokeswoman said: "We found that although people still wanted to be in with a chance to win big prizes each month, they were less worried about the £50 or £100 ones. I suppose attitudes towards big wins are similar to the National Lottery, except that in our case the top prize is still far smaller."

For those who like to calculate the odds on every bet, the chances of winning a Premium Bond prize will soon be 17,200

to 1 compared with better than 15,000 to 1 at present. The chances of winning the £1m jackpot remain at 58 million to one, compared to odds of 14 million to one against scooping the National Lottery. However, that has not put off punters. Queues for tickets for this week's rollover jackpot, expected more than £40m, are breaking all records.

But the lottery is no longer the frenzied conversation on every lip in the nation, since the

last double rollover earlier this month, when three winners shared £42.5m. Despite the lack of mania surrounded the latest double rollover, ticket sales are still expected to exceed all previous records. They are already up by 150 per cent on normal sales.

Almost every adult in Britain is expected to have a flutter this weekend, but Leslie Reid, emeritus professor of psychology at Exeter University who has studied the effects of the lot-

tery, said the apparent decline in enthusiasm for talking about the lottery was typical.

"What the lottery depends on is that while not everyone gets a reward, there is a vicarious sense if people you know have won. This is why the lottery people are so keen to display winners. They are also anxious to tell you it's great fun, but there isn't really any great sense that people are having fun at all."

The lack of faith that people have in their chances of winning

is supported by the number of unclaimed prizes. More than £20m is unclaimed, and a further £26.2m has already been added to the good causes fund from prizes that were not claimed with the 180-days time limit. Six players have failed to claim prizes ranging from £94,000 to £146,000.

One winner who bought his winning ticket in Oldham, Greater Manchester, last summer has only another two weeks to cash in his £94,239 ticket.

The five other big unclaimed prizes are: £146,245 - the ticket was bought in the Torquay area for the 30 September draw, last date for claim is 20 March; £109,892 - ticket bought in the Liverpool area for 16 December, claim deadline is 5 June; £102,262 - ticket bought in the Cardiff area for 23 September draw, ticket must be redeemed by 13 March; and £104,746 - two tickets bought for the 6 January double rollover draw, deadline runs out on 27 June.

Turkey embraces English girl-bride

HUGH POPE
Kahramanmaraş
and STEVE BOGGAN

A groundswell of popular indignation swept Turkey yesterday over attempts by the High Court in Britain to bring the 13-year-old bride, Sarah Cook, home.

The schoolgirl from Braintree, Essex, is fast becoming a religious and cultural cause célèbre in her adoptive country as anger grows over the continued imprisonment of her Turkish husband on statutory rape charges.

Hopes that Sarah would return to England "forthwith", as Sir Stephen Brown, President of the Family Division of the High Court, ordered on Wednesday, appeared to be in vain when her husband, Musa Komeagac, 18, was remanded in custody until 15 February.

He is being held on statutory rape and abduction charges in Kahramanmaraş, south-eastern Turkey, which Sarah has made her home since marrying him two weeks ago.

Opinion in the town and in the country's media is undivided: the couple should be left alone. Outside the court yesterday a man shouted to applause: "You meddling English. We will make you accept that Sarah is ours. For us, marrying at this age is absolutely normal."

The provincial governor,



Aslan Yildirim, said: "As much as the British courts say they are looking after Sarah's interests, we will look after them here. They are not officially married, but it is considered a marriage according to our customs."

Mr Yildirim was backed by the town mayor, Ali Sezal, who vowed that he would himself legally marry Sarah and Musa when she turns 14 on 2 September, and would give a job to Musa, who is unemployed.

The chief prosecutor said he would make a decision about an application by lawyers to include Sarah's mother, Jackie, in the suit along with Musa, Ali, Musa's father, and a man who performed the illegal wedding ceremony are named in the indictment. Normally, girls under

15 cannot marry in Turkey. The Turkish press has united behind the couple. Feminist commentators have praised her defiant statements of love, while Islamist newspapers have trumpeted that the case shows the superiority of Islamic Sharia law.

The order making Sarah a ward of court is not binding in Turkey and, according to the Lord Chancellor's department, there are no legal moves designed to persuade the Turkish courts to comply with it.

Nor is the apparent failure by Sarah's mother to bring her daughter home likely to trouble the High Court. "The judge used the word 'forthwith', and that doesn't really have a definition," said one source. "He didn't specify a date."



Reunion kiss: Thirteen-year-old Sarah Cook is reunited with her mother Jackie in Turkey, and (above left) on her wedding day flanked by her Turkish in-laws and 18-year-old husband Musa Komeagac. Photograph: Rex Features

Briton to create Holocaust memorial

REBECCA FOWLER

Rachel Whiteread, the controversial British sculptor, has been chosen to create a memorial to Austria's 65,000 Holocaust victims. Her design, an enormous cement library, will be the first monument erected in the centre of Vienna in memory of those who died.

Ms Whiteread's sculpture will consist of a giant cast of a real library room measuring 4 metres by 7 by 10. The work, which will be paid for by the City of Vienna, will be erected in Judenplatz, the heart of the old Jewish quarter and the home of many families who did not escape the Holocaust.

In Austria alone 65 synagogues were torched and endless homes and shops owned by Jews were destroyed on the Reichskristallnacht, the night the Nazis ushered in their violent persecution of the Jews. The monument will be unveiled on the anniversary of that night, in November.

Ms Whiteread, an *enfant terrible* of the British art world most famous for her provocative life-size sculpture of a house which won the Turner prize, was chosen from 10 artists invited to submit a proposal in a closed competition.

Hans Holbein, an Austrian architect who headed the jury which selected the design, said: "It symbolises that Judaism has survived through thousands of years of persecution, especially through books and writing."

The Jewish community has welcomed the £600,000 sculpture, which many say is symbolic of a change in attitude in Austria. "This is the city that was the capital of anti-Semitism, and it has taken a long time to come to terms with it," said George Clare, a writer and an Austrian-born Jew.

"There is a shift and Austrians' attitudes have definitely changed. There is hope now, because people have changed. If she is a good artist and she does something sensible, I fully support this."

According to art experts in Britain, Ms Whiteread, who is not Jewish, is an ideal choice for the honour.

Simon Wilson, curator at the Tate Gallery in London said: "She is a deeply admired artist who uses these everyday objects, but makes them very redolent of human life. She is an utterly brilliant choice for a Holocaust memorial in that a lot of her work is about death."

The monument will be the first in the city that is dedicated specifically to the Austrian Jews killed in the Holocaust.

The international competition to find an artist was set up by Simon Wiesenthal, 87, who has dedicated his life to exposing war crimes. He was joined on the jury by prominent Jews including Lord Welford, Robert Storr, curator of the Museum of Modern Art in New York, and Amnon Barzel of the Jewish Museum, Berlin.

'If she goes, Musa's youth will be snuffed out'

Hugh Pope went to meet Jackie Cook and her daughter's new 'family' in Kahramanmaraş

The wedding henna still stained the palms and fingernails of 13-year-old Sarah Cook as she reached out to hold the hand of her mother, Jackie. Her head nudged into the neck of her new Turkish "mother-in-law", to whom she gave a loving kiss.

The three sat side-by-side on a bed in a typically Turkish family scene in the eastern town of Kahramanmaraş. But all were exhausted by a second sleepless night, caught up in the storm caused by Sarah's underage "marriage" to her holiday sweetheart, 18-year-old Musa Komeagac.

It was after 2am, and a Turkish friend had brought me to the unpainted three-storey concrete building where they are staying in this busy market town. Jackie Cook had just

fallen in from London. Newly pressed into her handbag was a writ, in intimidating legal language, apparently ordering her to bring her daughter back, within two weeks, or else.

I was there to translate for them from Turkish, but it soon struck me that the Cook family were in need of much more help than that.

They listened with little comment to the views of a local lawyer, retained by the Komeagac family, Selim Surmen. Over and over again Mr Surmen pushed the same message as he has given in public: his view - possibly inaccurate - that if Sarah returns to Britain, then Musa, who was remanded in

custody on charges of underage sex earlier this week, will spend the next six years in jail.

"If she goes, then Musa's youth will be snuffed out. She must stay here for the eight months until she turns 14. Then we can get the judge's permission for her to marry. Musa will get out of jail and everybody will live happily ever after," Mr Surmen said in an interview afterwards.

The terrible dilemma of their situation could be read on the tired faces of Mrs Cook and her daughter, who appear not to have known that the "marriage" two weeks ago was illegal in Turkey. British officials have warned them not to speak

publicly about their case, but behind their formal "no comments" it seemed clear they had little idea what was best to do and they had nobody to give them impartial advice. Representatives of the *Sun*, who had hitherto assumed the role of guards and guides, were suddenly absent.

Their problem is likely to grow worse as the officials and people of Kahramanmaraş adopt Sarah's love for, and "marriage" to, Musa as a campaigning cause.

Sarah's "in-laws" listened supportively as the debate moved backwards and forwards. They and a group of young relatives occasionally offered

Sarah chunks of bread, cheese and olives from the family's pre-dawn meal. It is Ramadan, the Muslim holy month of fasting between sunrise and sunset.

Her "father-in-law", Ali, is a slight man with kind, quick eyes who has done well out of 15 years as the caretaker of a downtown Kahramanmaraş apartment block, earning enough to buy a flat or two, a shop and a car. Her "mother-in-law", Esma, has a gentle, smiling face and often showed her affection by hugging and stroking her new "daughter-in-law", who responded with puppy-like charm.

The "in-laws" showed as much concern for what might

happen to Sarah's parents in Britain as what might happen to their son, but they spoke barely three words of English between them. Sarah's Turkish is still elementary.

Sarah, her pale face puffed up with lack of sleep, was by turns attentive and humorous in a schoolgirlish way, then unable to remember the name of the British Embassy official who had come to discuss her legal position, let alone the substance of what she was told.

After two hours, there seemed to be no way forward and no way back for the Cooks. The mother's face was dark and lined after her long flight, the legal sanctions and the verbal at-

tacks from neighbours. Abusive callers had even reached Sarah in Kahramanmaraş.

Conversation continued fitfully into the night. Finally, a message was produced from Musa in jail, that spoke of his love for Sarah, how everyone should think of her first but that "he did not know what he would do" if Sarah decided to obey the court and leave.

Sarah fled the room in tears, apparently believing that this meant Musa would kill himself. The room fell quiet. A canary warbled in a cage hanging from the stove pipe, and from the cold earth tracks outside came the booming beat of the Ramadan drummers, waking up the townspeople for a new day of fasting and avid debate about their adopted "bride".

Aids vaccine hope as HIV children 'tolerate' infection

LIZ HUNT
Health Editor

Almost three per cent of babies born HIV-positive will subsequently "clear" or "tolerate" the virus in later childhood and may be declared virus free, according to a study which will help vaccine development against Aids.

The study follows several reports from around the world of children born to HIV-positive mothers, who were found to be

infected at birth, but who then appeared to rid their bodies of the virus in childhood.

Nine children out of 264 in the on-going European Collaborative Study of mothers and children, tested positive at or around birth and then negative for HIV at a later date. There was no HIV in the blood of seven of the children and they remained healthy.

Two other children tested antibody negative but the virus could still be detected in their

blood using more sophisticated tests. However, they too remained well and doctors believe their immune systems could have "contained" the virus, and developed a tolerance to it so they no longer produced antibodies.

Writing in tomorrow's issue of *The Lancet*, Dr Marie-Louise Newall and her team from the Institute of Child Health in London, say: "If we could understand how virus-positive children subsequently become

uninfected, we might gain insight into the mechanism of virus clearance. These mechanisms may have implications for vaccine development... it is important to continue the clinical and virological monitoring of these children. Current paediatric opinion is to inform parents of these children that their child is not infected with HIV."

The *British Medical Journal* also reports that British doctors have further strong evidence for HIV as a cause of Aids, refut-

ing claims by a handful of scientists that it is a harmless passenger virus in the human body.

They found that a group of HIV-infected haemophiliac men developed Aids-related illnesses and had extensive damage to their immune systems while HIV-negative haemophiliacs did not.

The findings reject the view of some scientists, led by Dr Peter Duesberg, an eminent American researcher, who argue that factors other than

HIV, such as long-term illegal drug use or promiscuity, are responsible for Aids.

Dr Duesberg's explanation for the high incidence of Aids among haemophiliacs, which received worldwide attention after extensive publicity in the *Sunday Times*, is not that they received blood products contaminated with HIV, but that factor 8, the essential clotting agent needed by these patients, is itself a cause of the disease. But a team from the Royal

Free Hospital in north-west London which studied 17 HIV-positive and 17 HIV-negative male haemophiliacs, who had all received similar, large quantities of factor 8 over time, found that the infected group suffered from Aids-related illnesses, such as pneumonia, thrush infections, cytomegalovirus, while the uninfected group failed to develop any of these. The HIV-positive group also had substantially lower white blood cell counts.

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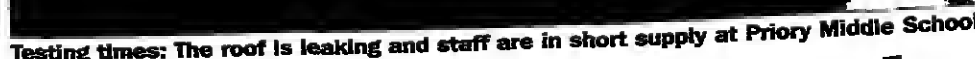
JUDITH JUDD
Education Editor

He clashed with the Prime Minister in the Commons, where he blamed the results on

Teachers said next year's results would be better because schools would spend hours coaching their pupils and revising. Today's 11-year-olds

Professor Michael Barber
dean of London University's In-

Peter Smith, general secretary of the Association of Teachers and Lecturers, said: "The Government must accept that overcrowded primary classes, lack of resources and a nine-subject curriculum are taking their toll on these children."



Photograph: Edward Sykes

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CLARE GARNER

Despite the school's policy of playing down the significance of the tests, all the children complained that they felt undue pressure to perform well. Helen Ashtoo, 11, said: "I found that when I revised I got more and more nervous because I knew the results go on to your upper school. They say they reflect your ability, but that's not true. You might have been having a bad day because you are

It makes 12-year-old Mari Crane angry with the Government. "They give us them to do meat. They give us them to do and then they don't mark them right."

JOHN MCKIE

She added that the re-
apportionment of funds this year

Lord Gowrie also praised the National Lottery as "the best thing that has happened to the arts in our lifetimes". He welcomed the announcement by Virginia Bottomley, Secretary of State for National Heritage earlier this week that National Lottery money would be made available for funding new talent in sport and the arts.

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Driving ambition: Paddy Ashdown meets police officers during his electioneering visit to Hemsworth yesterday

Photograph: Tom Pileston

Ashdown shrugs off danger of Scargill

JAMES CUSICK

Paddy Ashdown yesterday branded Arthur Scargill and his new political party, which has its first outing in next Thursday's Hemsworth by-election, as a "dangerous irrelevance".

The Liberal Democrat leader was the first of the main party leaders to visit the West Yorkshire constituency. The ultra-safe Labour seat traditionally

leaves the Liberal Democrats and the Tories to scrap over second place. However, the equation is complicated by the debut of Mr Scargill's Socialist Labour Party, whose candidate is Brenda Nixon, a miner's wife who established her credentials in the pit closure support groups.

Although Mr Ashdown insisted the SLP was an irrelevance, he nevertheless appeared partially to accept Mr Scargill's

view that Tony Blair's New Labour may not enjoy the levels of support in Yorkshire that it has in the south of England.

Mr Ashdown said Mr Blair's "southern voice" had "no resonance with the fears and wishes of people here", and he described the area as having been "neglected by the Tories and taken for granted by Labour".

Before Mrs Nixon entered the contest, Labour expected no

dent in its 22,000 majority. At the last three elections, it has scored around 65 per cent. Publicly, Labour is saying that Mrs Nixon will lose her deposit, but a party source admitted that if the SLP cannot do well in Hemsworth – a former mining area south-east of Wakefield – it "cannot succeed anywhere".

Although the SLP's constitution effectively shuns the support of the hard left by insisting

that members cannot belong to other political groups, both Socialist Workers Party and Militant activists have been helping it campaign. Their participation is confined to the delivery of leaflets, however, and they have been forbidden to discuss issues with voters or distribute their own literature.

Mrs Nixon promised: "The result next Thursday will not be a disappointment."

Divorced wives set for share of pension funds

PATRICIA WYNN DAVIES
Political Correspondent

Divorced women will be entitled to their own shares of their ex-husbands' pensions under a radical change to the law signalled last night by Lord Mackay, the Lord Chancellor.

Lord Mackay pledged he would "consider sympathetically" amendments to the Family Law Bill from Labour's Baroness Hollis to introduce so-called "pension splitting".

Following strong support from all sides during yesterday's Lords committee stage discussion, most peers believe amendments to implement the reform will be brought back at the report stage.

The change would enable couples to split the capital represented by the pension at the time they divorce instead of their financial affairs being "entangled for years", Baroness Hollis said.

The signal from Lord Mackay represents a climbdown from earlier government resistance.

Under a limited change forced on the Government by opposition peers and rebel Tories during last year's Pensions Bill, a divorcee receiving a share of her former husband's pension gets only an order for "deferred maintenance" payable while he is alive. That

left ex-wives at risk of receiving nothing from a pension fund if their former husbands died before retirement age. Where ex-husbands died later, former wives could be forced on to income support when in their seventies.

Under the expected amendments, divorced spouses will be able to start their own new pensions or add to their entitlements with additional voluntary contributions, ending the uncertainty of waiting until their former spouses chose to retire.

In the case of unfunded Civil Service pensions, the divorced spouses would have to build on their entitlement within the scheme to prevent a dramatic outflow of capital.

Despite support from the National Association of Pension Funds, the Institute of Actuaries, the Law Society and the Mothers' Union, the Government had opposed the change on financial grounds, insisting that there would be a £300m tax loss because each former spouse would claim a personal allowance.

But parliamentary answers from the Treasury to Lady Hollis and the Labour MP Harry Cohen showed that in 2020 the tax loss would be £80m, and that would be offset by £70m worth of savings on income support and £10m in court costs.

Lady Hollis told peers that the current system was a "gamble" that still left former wives "traded in for a younger model" dependent on their husbands. "If he retires early she has less income. If he retires later she has to wait longer for it. If he dies early she may get nothing and when eventually after retirement he does die, she will get nothing," she said.

Baroness O'Callaghan, a Tory peer, backed Lady Hollis and said that splitting the pension at the time of divorce would reduce the problem of keeping track of the pension beneficiary and his or her spouse for anything up to 35 years.

The former Law Lord Lord Simon of Glaisdale, despite being an ardent opponent of both divorce and the current Bill, none the less said division of the pension at divorce would be a "simple act of justice".

Lord Mackay warned that the change could be viewed as an incentive to divorce because of separate taxation. But he told peers: "I certainly wish to consider sympathetically this series of amendments with the proviso that I consider there are a great number of very difficult questions associated with this which we have to consider and try to resolve."

Lady Hollis's amendments were withdrawn without a vote.

Blair steers a risky course

Tony Blair yesterday provided the Prime Minister with all the invitation necessary to twist the knife in Labour's wounds over education policy.

Having on Wednesday rescued his shadow Health Secretary, Harriet Harman, from the turmoil over sending her 11-year-old son to a grammar school, education might have seemed a subject for the Labour leader to steer clear of at Question Time.

But, as was said of Lord Cardigan at Balaclava, showing the qualities "more of a hero than a general", he galloped in on the latest school test results.

The results for 11-year olds in English and maths were "appalling", he said, going on to suggest a reduction in class sizes for five- to seven-year-olds, a register of national head teachers, the use of associate teacher in classrooms, and the reinstatement of the reading recovery programme.

Mr Major accepted that

those at 11 were "disappointing", but said those at other age groups were better. Then came the political punches as he reminded the House that Labour party had opposed the introduction of tests and Mr Blair personally voted against them.

"Those test results are very useful. They tell us where the shortcomings are so we may

deal with them and we will look at a range of measures to deal with them... I am glad Mr Blair acknowledges now – better late than never – that we were right to introduce them."

To a barrage of jeers, the Labour leader said it was a

"complacent reply". Nor was the problem merely with 11-year-olds, he said. Tests for 14-year-olds showed "an appalling level of failure" in key subjects – and they were children born and educated under a Tory government.

Mr Major said it was not the Conservatives that were at fault. "Perhaps Mr Blair can explain why some of his friends remove their children from Labour education authorities and have them educated under Conservative education authorities?"

Mr Blair looked as if he had not intended to ask a third question, but with Tory MPs having for more, he rose again. "Now we see the reason they want to focus attention on one 11-year child is to conceal the damage they have done to millions of our children."

A more defensive tone was adopted by the Prime Minister and Sir Patrick Mayhew, the Northern Ireland Secretary, over their adoption of the Unionist plan for an elect-

ed forum as the way out of the impasse in the peace process.

With Nationalist fury still ringing in the chamber, Mr Major said he would like to see the start of all-party talks "as speedily as possible". The impediment was, as always, the unwillingness of "Sinn Féin-IRA" to disarm.

Earlier, SDLP member Seamus Mallon accused the Government of "unilaterally and shamelessly" reneging on an agreement with the Irish government to pursue all-party talks. Ministers had "sacrificed potential consensus" for Unionist support in the Commons.

Sir Patrick shook his head. All-party talks could still begin by the target date of the end of February provided a start was made to decommissioning, he said.

But if that was not going to happen – as the Mitchell Commission admitted – it was the duty of governments to look to see whether there's another way of creating confidence.

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news

Alarm over genetic science 'complacency'

NICHOLAS SCHOON
Environment Correspondent

The Government's green advisers voiced alarm yesterday about the release of genetically engineered life forms into the environment.

The five-strong panel, set up five years ago as a follow-up to the Rio de Janeiro Earth Summit, called for much wider and more careful Government

thinking on the rules allowing such releases of plants, animals and micro-organisms and for better scrutiny of the results.

"We are playing not just with fire but with dynamite," said Sir Crispin Tickell, the former ambassador to the United Nations, who chairs the panel. Its remit is to give the Prime Minister advice on achieving sustainable development.

Britain, in partnership with

other European Union countries, must consider developing emergency procedures before any major commercial releases of genetically modified organisms (GMOs) take place, in case there are unforeseen repercussions.

In its second annual report, the panel makes the comparison with CFCs, pesticides and thalidomide, new products which were thought to be safe

and of great benefit, but found to cause severe damage after their release. "People simply haven't understood the effects of their actions," said Sir Crispin, the warden of an Oxford post-graduate college.

Genetic engineering is seen as one of the next century's biggest industries, bringing great advances in agriculture, medicine and other fields. Genes from fungi, bacteria and

viruses can be stitched into the genetic material of other micro-organisms or higher plants and animals, giving them abilities foreign to their nature. The genes being transferred can even be designed and created in laboratories.

The technology is still mainly at the experimental stage but there have already been hundreds of releases of altered plants and animals into the environment, in Britain and other countries. Giving a crop

plant improved resistance to a particular weed killer is one common example. This weed killer can then be used allowing the farmer a higher yield.

But there are fears that the "foreign" genes could spread into other micro-organisms in the wild. Unlike higher animals, bacteria and viruses have the ability to swap genes between

quite different species and they can multiply their numbers very rapidly. There is the possibility resistance to pesticides might be transferred to destructive pests and disease species.

Current controls on releases depend on expert committees covering medicine, agriculture and food giving advice to ministers on whether particular experiments should go ahead, case by case. Sir Crispin said the

arrangements were "messy and badly co-ordinated".

Central to its proposals, the panel asks the Government to bring together industrialists, academics, doctors, representatives of consumer and environmental groups, and independent experts, to consider a broader control regime covering both medicine and industrial/agricultural applications.

Vouchers for nursery 'may be lottery'

FRAN ABRAMS
Education Correspondent

The Government's nursery voucher scheme could turn out to be a lottery in which children in some areas will have little chance of a place, a new report suggests. It also shows that parents will face uncertainty over whether their children are receiving a quality education or not.

Research by the Audit Commission shows that in some areas there are only enough state nursery education places for a quarter of four-year-olds, while in others there are enough for 9 out of 10.

The report, published today, also reveals that middle-class children who receive nursery education can start school with a year's advantage over classmates from deprived areas who do not. Nursery schools give children six months' head start, while playgroups give them two.

According to the authors of *Counting to Five*, provision of nursery education is very uneven across the country. The worst provided-for area is Hereford and Worcester, where only 26 per cent of four-year-olds are in state nursery schools or reception classes, and the best is Knowsley, Merseyside, which provides for 95 per cent.

Although they suggest that private provision may be stronger in areas where the state sector is weak, the report says nursery education across the country is "uneven". Even where places are available they may not be taken up because of transport problems or because nursery schools finish hours before most parents finish work. The quality of different under-fives services in playgroups and nursery schools varied from excellent to very poor. The only reliable way of ensuring a good education was to check whether a qualified teacher was in charge of the group, the analysis found.

Research carried out by Newcastle University for the commission revealed that going to nursery school could bring a disadvantaged child up to the average ability level or could put an advantaged child up to a year ahead.

Girls from middle-class families who had been to nursery school had the biggest advantage, while boys from deprived areas whose first language was not English suffered the biggest disadvantage.

Andrew Foster, controller of the Audit Commission, said councils must work with the private sector to counteract problems.

"Local authorities should take a positive approach to this important area. They should try to develop playgroups, private provision and their own provision," he said.

Don Foster, the Liberal Democrats' education spokesman, said the report proved the inadequacy of the Government's voucher scheme, which will be piloted in four areas from April this year and which will be extended nationally by April 1997.

"Vouchers will not give parents what they really want - high quality early-years education. Vouchers will not improve access and will not improve quality. Gillian Shephard should take note of the Audit Commission's overwhelming evidence and scrap the chaotic, confused voucher scheme," he said.

Margaret Lochrie, administrator of the Pre-School Learning Alliance, which runs the playgroups, welcomed the report but said it contradicted earlier research which showed playgroups gave as big an advantage to children as nursery classes.

"This clearly refutes the idea that the only route to high quality is through nursery classes in schools. There is no conclusive evidence that one type of provision out-performs another," she said.

Takeover bid: Best-selling brands are the prize as US giants fight for control of £45bn market



All dolled up: Mattel's factory in Peterlee, Co Durham, yesterday after the makers of Barbie bid £3.5bn for Hasbro, makers of Action Man

Main photograph: News Team

Barbie eyes up Action Man in Toytown battle

NIGEL COPE

Toytown was pitched into a billion-dollar takeover conflict yesterday when Barbie, the undisputed queen of the doll market, was sent into battle with Action Man.

The lines were drawn when Barbie's parent company, Mattel-Fisher Price, launched a hostile \$5.2bn (£3.45bn) offer for the rival toy group, Hasbro, whose portfolio includes Action Man as well as Barbie's arch rival Sindy, GI Joe and the re-launched Cabbage Patch dolls.

Hasbro has rejected the offer, but if successful it would create the world's largest toy company, with sales of more than \$7bn and a sizeable share of the world's \$45bn toy market.

It could get nasty, Barbie, the pneumatic blonde whose latest incarnation was a *Baywatch*

beauty, has been top of the toy tree since her debut in 1959. But Sindy, which sells well in the UK but is not available in the US, is certain to put up a fight.

Jon Salisbury, editor of the trade magazine *World Toy News*, said: "It's all about brands. Mattel is strong in pre-school toys with its Fisher Price range and with the Barbie doll, but it has not had a big boy's toy since Masters of the Universe in 1985. That is Hasbro's strength with Action Man, GI Joe and Tonka toys. This bid was inevitable at some time."

Mattel says it wants to merge with Hasbro because the two have complementary products which when put together would create a stronger group capable of more consistent growth and greater economies of scale. It says it would be able to generate £100m of cost savings in the first year alone.

Toy companies have long struggled to maintain consistent growth in a market dominated by crazes that are often linked to hit films and television shows such as *Jurassic Park*, *Thunderbirds* and *Batman*. A hit generates millions. Expensive flops can cripple smaller companies. The toy industry has seen a spate of takeovers in the last few years. Hasbro bought Wadding-

tons, makers of Monopoly. Mattel has acquired Fisher Price and JW Spear, makers of *Scrabble* since 1993.

Analysts in New York said Hasbro's assets had been under-managed. "We believe that some of Hasbro's evergreen brands could flourish much more under Mattel's skilled nurturing and marketing savvy," one said.

But the deal could run into problems, such as difficulties on monopoly grounds as the two are already the largest companies in the sector. Mattel and Hasbro combined would have a 30 per cent share of the \$13bn-a-year US toy market and 25 per cent of the UK's £1.6bn market. Mattel hopes to avoid such problems, possibly by selling parts of Hasbro.

Another potential stumbling block is the contrasting culture of the two companies. Mattel was founded in 1945, is based in Los Angeles and regarded as an aggressive company which focuses strongly on profits. Hasbro was founded in the 1920s, is based in Rhode Island, and the founding Hassenfeld company still controls a large stake. It is known as a paternal employer that donates large sums to charity.

Hasbro performed strongly in

the 1980s but has under-performed recently. It had a hit with *Jurassic Park* in 1993 but failed to follow it up last year. In recent meetings the company's chairman, Alan Hassenfeld, has admitted that the company needed to be more aggressive. Meanwhile Mattel's fortunes have blossomed, fuelled by Barbie sales, which now account for \$1bn of the group's \$3.65bn yearly sale, and the takeover of Fisher Price in 1993.

Analysts say that a white knight could yet rescue Hasbro. Disney has been mentioned as one possibility. Others say that even if the bid fails, Mattel may have weakened Hasbro sufficiently to force a break-up. But one thing is certain. With the UK toy fair due to start in London tomorrow and the world equivalent scheduled for the US next month, this bid will be the talk of Toytown.

How the toy giants measure up

Hasbro	Mattel
Key brands: Sindy, Action Man, Tonka, Waddingtons, Monopoly, GI Joe, My Little Pony, Play-Doh.	Key brands: Barbie, Cabbage Patch dolls, Hatchimals, Scrabble, Fisher Price, JW Spear.
Sales (1995): \$2.85bn (£1.9bn).	Sales (1995): \$3.65bn (£2.4bn).
Profits: \$175m (£115m).	Profits: \$370m (£244m).
Founded: 1923.	Founded: 1945.
Head office: Rhode Island.	Head office: Los Angeles.
Culture: Still partly owned by founding Hassenfeld family. Paternal and caring. Helps charities.	Culture: West Coast style. With an aggressive, go-getting management. It is focused on profits above all else.

Fraud solicitor jailed

A solicitor whose international £13m swindle defrauded the cooker company Belling and some of Europe's largest firms was jailed for nine years yesterday.

Charles Deacon, 53, a former under-sheriff of Stafford, and a former mot and bolts salesman, James Fuller, 56, who received a seven-year sentence, spun tales of MIS and the CIA to extract cash through a bogus money-lending scheme.

Passing sentence at Middlesex Crown Court, central London, Judge Fabian Evans QC

told the two men: "The sums of money involved in this case have been quite staggering and have been matched only by the enormity of the lies which you both told."

Apart from Belling, which plundered its pension fund of more than £2.3m to qualify for a "loan" and in the process left many of its former employees facing the prospect of reduced pensions, other companies targeted included Russia's largest co-operative and Finland's biggest food processing company.

DAILY POEM

Between mountain and sea

By Norman MacCaig

Honey and salt - land smell and sea smell, as in the long ago, as in forever.

The days pick me up and carry me off, half-child, half-prisoner.

on their journey that I'll share for a while

They wound and they bless me with strange gifts:

the salt of absence
the honey of memory

In 1954, a friend of Ian Parsons, then editor at the Hogarth Press, wrote recommending a young poet called Norman MacCaig, writes Jonathan Burnham. Parsons contacted MacCaig, who wrote back: "I know publishers are not philanthropists, and that poetry, generally speaking, is lethal stuff to handle. So it seems a good thing to assure you that at least in Scotland there are many people looking forward to the publication of these poems." These poems were published as *Riding Lights* and the Hogarth Press, and then Chatto & Windus, published all of MacCaig's subsequent work, until his marvellous late collection *Poet's Choice* (from which this poem is taken) published in 1988 when he was 78, which finally brought him recognition as one of the most important Scottish poets of the century.

The poems of Norman MacCaig, who died earlier this week, are published as *Collected Poems* (Chatto, £9.99). Jonathan Burnham is poetry editor at Chatto.

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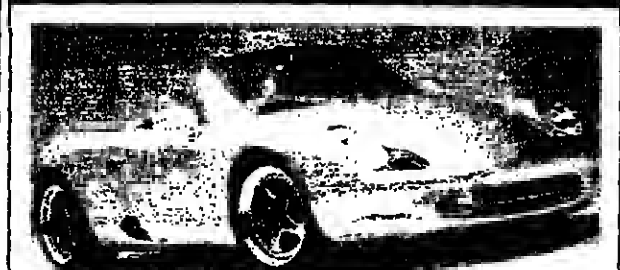
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The Met under fire: Scotland Yard's image dented by triple blows of corruption, unlawful arrest and jury-nobbling cases



Court deal: Paul Demuth, who won £20,000 for assault and malicious prosecution

Photograph: Edward Sykes

MPs lambast police over £5m thefts by 'lord'

CHRIS BLACKHURST
Westminster Correspondent

Scotland Yard should have realised its accountant, Anthony Williams, was a convicted thief, according to a report by the House of Commons Public Accounts Committee yesterday.

In a report that even by the standards of the often critical Commons Public Accounts Committee was especially hard-hitting, the Metropolitan Police was lambasted for not rummaging Mr Williams sooner.

He was convicted in May last year and sentenced to seven and a half years' imprisonment. A backroom civil servant at Scotland Yard he enjoyed a lifestyle way beyond his means. In London, he lived in suburban New Malden; in Tonnintoul in Scotland, he was known as "Lord

Williams" and went on a spectacular spending spree, acquiring the village's main hotel and several houses.

As a trusted official, Mr Williams was put in charge of the financing of a sensitive, one-off, undercover police operation. To combat serious crime and terrorism, the Independent revealed, the police bought a spotter plane equipped with hi-tech surveillance equipment. To hide its ownership - and prevent suspects realising the aircraft overhead belonged to the police - they booked it through a private company, run by Williams.

He was in sole charge of handling the aircraft's running costs. When the pilot wanted cash for fuel, he asked Williams, who paid it from the company account. The company was then reimbursed by the Met, with no questions asked.

Such a unique scheme, with funding controlled by one individual, was appalling, said the committee. They found it "unacceptable" that the Met could not prevent the fraud, they were "critical of the service for allowing an arrangement which could not properly safeguard public money" and "deplored" the police's failure to



Anthony Williams: Fraud

tell the Home Office about a departure from standard practice.

Given the secrecy attached to the operation, MPs said they expected Mr Williams to have been positively vetted beforehand. If he had been, checks would have discovered that doubts had been raised about him in the past, when he ran the police's civilian staff welfare fund. An auditor had queried his management of the fund in 1988 but it was only in 1994, after he had finally been arrested for fraud, that an investigation revealed cash had gone missing.

To the embarrassment of the police he was caught only after a bank questioned the large amounts of cash going through his account. Since Mr Williams paid well over the market price for his properties, only £1m of the £5m he stole is ever likely to be recovered.

Assault case settlement costs £90,000

HEATHER MILLS
Home Affairs Correspondent

A teacher, a trainee solicitor and a prize-winning photographer were yesterday paid more than £90,000 in damages and costs for assault, false imprisonment and malicious prosecution by the Metropolitan Police.

Officers were said to have attacked Paul Demuth, 41, Claire Roberts, 31, and Malcolm Glover, 40, as they were making their way to a London restaurant to celebrate Mr Glover's *Sunday Times* award for the best documentary photographer of the year.

A court was told the incident, in June 1991, led to Mr Demuth, a teacher, lying unconscious in a pool of blood on the steps of a police station in the West End and ended with the police fabricating evidence, charging him for assault and his two friends for obstruction. It took four months and several court appearances before their innocence was finally established.

The Metropolitan Police yesterday denied liability, but in an agreed statement read to the court agreed to pay a total of £44,000 and a similar amount in costs. The statement recorded that the officers involved stood by their allegations against the three, as they had from the outset.

The payout is the latest in a string of court awards and settlements by the Met which in 1994 totalled nearly £1.4m plus costs. Out of 304 civil actions, the police won only 24.

Yesterday Mr Glover said the award was a "hollow victory". "This has left all of us incredibly paranoid about the police. I am still at a loss to understand it."

Central London county court was told that the three, all from Hearn Hill, south London, were in Soho when Constables Martin Heap and Colin Baker walked by and one shouted "stop". Mr Demuth dropped a tiny amount of cannabis onto the ground and, on seeing this, PC Heap ran up, pushed him against a wall and cuffed his hands behind his back. He threw Mr Demuth on to the pavement, where he landed on his face. "PC Heap then placed his knee or foot on Paul's head, forcing it into the pavement."

When his friends tried to intervene, they too were seized, the court was told. All three were thrown into a police van. "Get that tart out of there," another officer, PC Bruce Wilson said. In the van PC Heap held Mr Demuth in a headlock, "laughing and joking about what he was doing".

Mr Demuth alleged that at the station he was pushed or swung out of the van so that he fell headfirst, landing on the ground and losing consciousness.

He was taken to hospital where his wound was stitched. As well as his physical injuries, Mr Demuth suffered "trauma and psychological damage", the court was told. He was awarded £20,000 and his friends £12,000 each.

Former officer jailed for bid to nobble jury

A former police sergeant who left the force after an exemplary 24-year career was jailed for seven years yesterday after the first "jury-nobbling" case involving a former or serving police officer to come before a British court.

John Young, 45, who was shot twice and awarded the Queen's Gallantry Medal while a serving officer, demanded £30,000 to help influence the outcome of an Old Bailey trial last year. Southwark Crown Court heard that, helped by an as-yet-unidentified serving officer, who was supposed to be part of a team providing 24-hour protection for the jurors, he obtained highly confidential addresses of some of those trying the armed robbery case.

Passing sentence, Judge Gerald Butler QC told Young, who turned private detective after leaving the police force two years ago, that what he had done "strikes at the very roots of our system of criminal justice". He went on: "For that reason a deterrent sentence is inevitable."

Young, who was convicted earlier of "doing acts intended and intended to pervert the course of justice" between 13 March and 15 April, showed no reaction apart from turning to relatives in the public gallery and saying "All right".

Opening the week-long trial, Joanna Korner QC, for the prosecution, said Young had



Young: £30,000 demand

"spotted a potential to make a great deal of money". She explained that the Old Bailey case involved kidnapping, robbery and firearms. Each juror was being protected round the clock by two policemen.

"Regrettably the arrangements had the very opposite effect, because it enabled a corrupt police officer to obtain names and addresses of jurors and pass them onto someone who might have an interest in influencing the jury," she said.

The jury heard that Young, of Poplar Close, New Barn, Kent, approached the sister of one of those on trial as she left the Old Bailey public gallery and offered to supply her valuable information which would help her brother, in return for cash.

An undercover police surveillance operation resulted in Young's arrest.

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SAVINGS CERTIFICATES

National Savings Certificates of the 42nd Issue and 8th Index-linked Issue were withdrawn from sale on 25 January 1996.

The 43rd Issue will go on sale on 26 January. It will offer a guaranteed and tax-free return of 5.35% pa compound when held for five years.

The 9th Index-linked Issue will go on sale on 26 January. It will offer a guaranteed and tax-free return of 2.5% pa compound in addition to index-linking when held for five years.

CHILDREN'S BONUS BONDS

Issue G Children's Bonus Bonds were withdrawn from sale on 25 January 1996. Issue H will go on sale on 26 January. It will offer a guaranteed and tax-free return of 6.75% pa compound when held for the first five years.

CAPITAL BONDS

Series 1 Capital Bonds were withdrawn from sale on 25 January 1996. Series J will go on sale on 26 January. It will offer a gross return of 6.65% pa compound, guaranteed when held for five years.

PENSIONERS GUARANTEED INCOME BONDS

Series 2 Pensioners Bonds were withdrawn from general sale on 25 January 1996 (but see the next paragraph). Series 3 will go on sale on 26 January. It will offer a guaranteed rate of 7.0% pa gross for the first five years held.

Series 2 Bonds will remain on sale for holders of National Savings Income Bonds who wish to use the proceeds of their Income Bonds to reinvest into Pensioners Bonds provided that:

- the application to repay the Income Bonds was received at National Savings, Blackpool between 29 November 1995 and 25 January 1996 inclusive; and,
- the option to reinvest into Pensioners Bonds is exercised within 1 month of the repayment date of the Income Bonds.

FIRST OPTION BONDS

On and from 26 January 1996, the first year fixed rate on FIRST Option Bonds will be 6.25% gross (5.0% net assuming tax at 20%). Bonds of £20,000 or more held to the first anniversary will earn a bonus of 0.25% gross (0.2% net).

DEPOSIT BONDS (no longer on sale). On and from 9 March 1996 the variable rate of interest will be 6.25% pa gross.

Sales booklets (including application forms) are available from post offices. Alternatively you can get copies by telephoning 0500 500 000.

INCOME BONDS

On and from 9 March 1996 the variable ("Treasury") rate of interest payable on Income Bonds will be 6.25% pa gross. The bonus on holdings of £25,000 or more remains at 0.25% pa gross. The gross rates from 9 March will therefore be as follows:

Holding	Rate of interest
under £25,000	6.25% pa
£25,000 and over	6.5% pa

INVESTMENT ACCOUNT

On and from 9 February 1996 the variable gross rates of interest on deposits in an Investment Account will be as follows:

Balance in account	Rate of interest
under £500	5.0% pa
£500 to £24,999	5.5% pa
£25,000 and over	5.75% pa

ORDINARY ACCOUNT

On and from 1 March 1996 the variable rates of interest on deposits in an Ordinary Account will be as follows:

Standard rate	1.75% pa
Higher rate	2.75% pa

PREMIUM BONDS

On and from 1 May 1996 the variable interest rate used to calculate the prize fund will be 4.75% pa. At the same time, a new scale of prizes will be introduced. This will fix the number of prizes at 350,000 a month. The prize values will continue to range from £50 to the £1 million monthly jackpot, but there will be a new method of calculating the number of prizes of each value. The number of larger prizes, after the £1 million jackpot, will no longer be fixed at 44 a month but will grow as the prize fund grows. The new method will result in about double the current number of prizes in the range £5,000 to £100,000. There will also be more prizes of £500 and £1,000. Full details of how the prize fund will be allocated were published in the London, Edinburgh and Belfast Gazettes dated 26 January 1996. They will also be included in a new booklet expected to be available at post offices from 11 March.

NATIONAL SAVINGS

Issued by the Department for National Savings on behalf of the Treasury

international

Doubts grow over Dole after Clinton triumph

RUPERT CORNWELL
Washington

Senator Bob Dole, uneasy front-runner for the Republican nomination, yesterday travelled to the key Presidential caucus state of Iowa to shore up a candidacy starting to be undermined by doubts about his age, and his inability to project an appealing vision to voters.



flat, lacklustre performance delighted Democrats. It was universally panned by the media and greeted even by some of his staunchest supporters with the most damning of faint praise.

Mr Dole's aides insist that the limp, impersonal setting of his Senate office, from which he delivered the 12-minute response, would have handicapped any Republican who had to speak after the President. Mr Clinton exploited his gift for television to the full amid the pomp and splendour of a House of Representatives chamber bursting at the seams with dignitaries.

Predictably, the fiercest pounding yesterday came from that quarter. According to Lamar Alexander, the former Tennessee governor who is still struggling to make an impact in the campaign, Mr Dole's uninspiring performance proved that the Republicans needed "a visionary, not a legislative architect" to beat the Democratic incumbent.

Pat Buchanan, the conservative commentator and candidate, turned to baseball for a metaphor: "Our starting pitcher got shelled; it's time to bring some new kids from the minors." Phil Gramm, the Texas senator vying with Mr Buchanan for the conservative vote, declared flatly that "Bob Dole cannot and will not beat Bill Clinton".

In the heat of the campaign, such complaints are worth far less than face value. But the evidence from the polls, and from Mr Dole's own tepid reception on the campaign trail, is that a truism of Republican primary politics — the early favourite always wins — may come under serious threat in 1996.

In Iowa, which votes on 12 February, and in New Hampshire, where the first full-scale primary takes place eight days later, the magazine publisher Steve Forbes has halved Mr Dole's once majestic lead. In Arizona, voting on 27 February, Mr Forbes has a solid lead, according to one poll, and in Delaware, another early primary state, the two are running neck and neck. Thereafter the campaign moves south, to states where Mr Gramm and Mr Alexander should do better.

Out in the field, Mr Dole, 36 years in Congress and the ultimate Washington insider, has by far the best organisation. Five hundred people turned out at one New Hampshire rally, at which he was accompanied by a platoon of the senators and governors who have endorsed him. But his speech set nobody alight, and four-fifths of the crowd turned out to have been based in from Massachusetts and Rhode Island.

Disenchantment with Mr Dole, meanwhile, is starting to rekindle the impossible dream of a candidacy by General Col Powell, the former US military chief. In November General Powell firmly closed the door to a 1996 candidacy. But some Republicans cling to the hope that a bloody and inconclusive battle among the current field might leave him open to entreaty. On Wednesday night, he was the star attraction at a Republican "Road to the White House" dinner which raised a record \$16m (£10.4m) for party coffers. Guests filed past General Powell's table as if he were royalty.

News Analysis, page 13

Facing the firing squad: Execution of murderer pits Mormon tradition of 'blood atonement' against state's modernised image

Utah takes a bloody step into the past

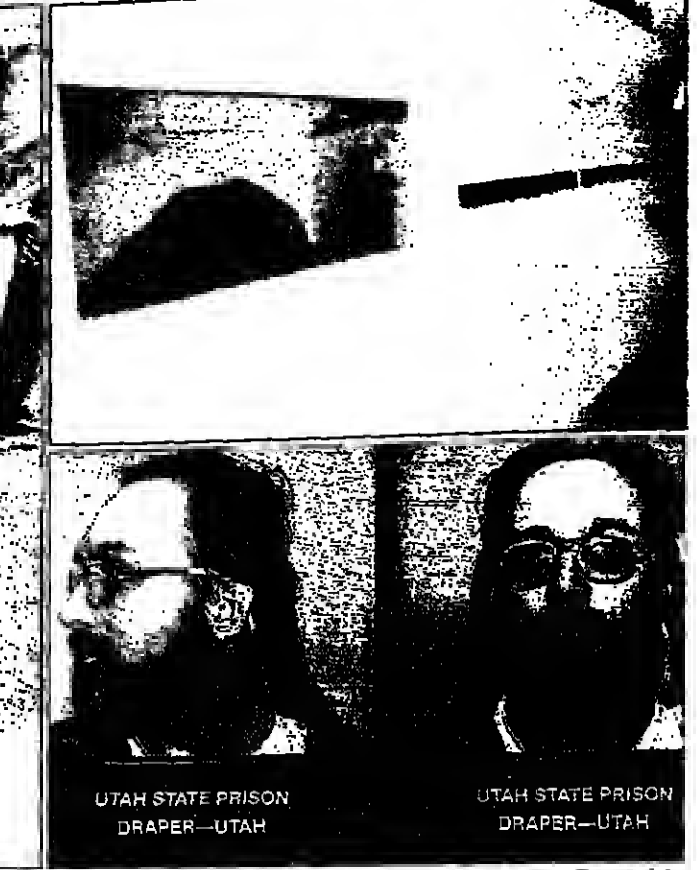
DAVID USBORNE
Draper, Utah

By the time they wake this morning, the people of Utah should find that John Albert Taylor is no longer among them: killed by four bullets in the heart shortly after midnight. Only Taylor had the power to halt his dispatch by lodging an eleventh-hour appeal to the courts. As his last hours ticked by last night he showed no sign of exercising it.

The firing-squad execution of Taylor, convicted of the rape and murder of 11-year-old Charla King in 1989, has cast an unwelcome spotlight on a state that is striving to find a new image of modernity and tourist-friendly hospitality while at the same time remaining steeped in the sometimes archaic traditions of the Mormon church, to which most of the population belongs. It has also provoked anguished international and religious protest.



Warehouse of death: Journalists view the chair in the warehouse at Utah State Prison in Draper in which John Taylor will be strapped. Above right: The chair reflected in the window of the room from where the shots will be fired. Bottom right: The official prison photograph of Taylor, convicted of murdering an 11-year-old girl. Photographs: AP



possible, since Utah's smoking laws forbid lighting up inside. Last night his second request was honoured: a supper of pizza loaded with mushrooms, ham and Canadian bacon.

The plan for his final minutes was meticulously laid. Shortly before midnight, Taylor was to be marched into the chamber itself, strapped into the chair and a hood placed over his head. A medical officer was to locate his

heart with a stethoscope and fix a square piece of red cloth over it as a target. Then Taylor was to be given two minutes to make a final statement. The order to fire was to be given by the prison warden.

Of all the chapters in the Taylor saga, few have been as shocking as the avalanche of offers from around the US to act as one of the five executioners. A platoon from a South

Carolina army camp stepped forward, as did a self-described former CIA intelligence agent. Instead the men have been provided by local police forces. They were to stand behind a wall concealed from Taylor and push their rifle barrels through letter-box slots. According to tradition, one will have a blank in his weapon, so each can believe he did not kill the victim.

Taylor, who dispensed with his lawyer a month ago and has spurned all civil liberties groups, told a journalist he preferred bullets to lethal injection, because he did not want to "float around like a dying fish". But historical research of the 39 firing-squad executions held in Utah since 1852 shows that it can take as long as 27 minutes to die.

Protests by Amnesty International and the American Civil Liberties Union, and a rally in Salt Lake City earlier this week appeared to move few among Utah's politicians. Running through the controversy is the state's Mormon heritage, and the traditional teaching of the church — though its leaders today now distance themselves from it — that those who kill can avoid being cast into "outer darkness" after death only through the spilling of their own

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THE FINE ART OF FURNISHING

Soviet Lada boss to steer economy

PHIL REEVES
Moscow

Speculation about the fate of Russia's fragile economic reforms swelled yesterday as Boris Yeltsin appointed a Soviet-era industrialist to mastermind his economic policy, opening himself to criticism that he is trying to curry favour with Communist and nationalist voters before the presidential election in June.

The Kremlin announced that Vladimir Kadannikov, an executive from the Russia's troubled motor industry, would replace Anatoly Chubais, the liberal-leaning minister who headed Russia's mass privatisation programme before being sacked last week.

His appointment is certain to fuel fears among the free market lobby that the embattled President is willing to sacrifice Russia's tough, if painful, anti-inflationary strategy in order to win support among an estranged electorate.

Although seen as relatively progressive during the Gorbachev era, Mr Kadannikov, 54, has advocated protectionism and import tariffs in his capacity as head of Russia's largest car plant, AvtoVAZ, which makes Ladas. A friend of Mr Yeltsin, and also of the President's bodyguard, Alexander Korzhakov, he is thought to align himself with the more conservative element in the Kremlin's inner circle.

His appointment coincides with a swing towards the right by the Yeltsin administration, marked by the ousting of several of its top liberals in favour of hardliners. Such is the volume of comment about the Kremlin's current tack that Mr Yeltsin yesterday decided to intervene, lambasting those who come to "hasty, and superficial conclusions" about his personnel changes.

OJ faces the nation with plea of innocence

TIM CORNWELL
Los Angeles

OJ Simpson finally went on television this week for the first time since being acquitted of double murder, insisting he was as innocent as any fellow American, and demanded that he be treated accordingly.

"If you don't like me, leave me alone," said Mr Simpson. "I'm not bothering you."

Since October he has been sued by the families of his ex-wife Nicole and Ronald Goldman, the murder victims, pilloried by radio talk-show hosts and cold-shouldered by advertisers and golf clubs alike.

Immediately after his trial he pulled out of a network television interview, citing the advice of his lawyers, when it threatened to turn into a full-scale inquisition into his version of events. He was paid a reported \$3m (£2m) for a mail-order video, *OJ: The Interview*, and his appearance on Wednesday night on the only black-owned cable channel in the US was partly aimed at promoting the video, which retails at \$30.

The former sports idol gave a polished, at times persuasive, performance in a sympathetic setting. He was not pressed on the evidence that persuaded most Americans watching his criminal trial that he was guilty, and which wrecked his career as a film actor and television personality.

Ducking questions about the night of the killings, he either cited the advice of his lawyers, or invited viewers to buy the video for the full answers. "I did not commit those murders," he said. "I could not kill anyone."

At times, however, the anger came through. Women's groups had made him a "whipping boy", and he was "pissed" at the families of his ex-wife and Ronald Goldman, now suing him for damages on the allegation that he stalked, stabbed and slashed them to death.

Mr Simpson portrayed himself as the victim of racism in the Los Angeles Police Department and in the US at large. "They want me to go to Africa? Go where?" he said, asked about people in his wealthy Los Angeles neighbourhood who put up signs calling him a killer. "I live in L.A. If they don't want me in Brentwood, they should leave."

He angrily denied reports of parties and high living, saying he constantly mourned Nicole. "How much lower should I lay?" he asked. "What I would like to do is raise my kids, spend as much time as I can with my family, especially my mum, who is here tonight, and play golf." Initial reactions on the streets of Los Angeles appeared to show that his smooth performance had changed few minds either way.

Mr Simpson yesterday was questioned for the fourth day in a row by lawyers in the civil suit. Few details of this first grilling under oath have leaked out, though transcripts of the testimony will eventually be released. The case is scheduled for April. But lawyers for the Goldman and Brown families say they have zeroed in on "inconsistencies" in his alibi. Pressed to explain why he failed to answer when a chauffeur called at his gate on the night of the murders, the Simpson camp has suggested variously he was chipping golf balls, in the shower, or asleep.



Fair hearing: OJ Simpson adjusts his earphone before his first TV appearance since his trial. Photograph: AP

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Paris and Bonn rush to shore up faltering EMU

Despite British predictions to the contrary, senior government ministers in France and Germany insisted yesterday that the European Union would proceed on schedule with its plan to launch a single currency in 1999.

Prime Minister Alain Juppé of France, his Foreign Minister, Hervé de Charette, and Germany's Foreign Minister, Klaus Kinkel, reaffirmed that monetary union would not be postponed and there would be no watering down of Maastricht's strict criteria for countries wishing to join the single currency.

Behind the unflinching exterior, however, it has become clear this week that EU governments have begun to contemplate the possibility that it may not be a good idea to go ahead with monetary union as planned in 1999. The doubts coincide with a conviction among European politicians and bankers that the Maastricht timetable is too rigid and takes no account of the slowdown in the European economy.

Only yesterday, France's Industry Minister, Franck Borotra, said that if he had to choose between Maastricht and jobs, he would choose jobs. Moreover, even Mr de Charette, before issuing his statement of unconditional support for the Maastricht treaty, had told a French radio station that it might be useful to interpret the treaty's rigid conditions on low budget deficits more flexibly, as proposed on Wednesday by a former president, Valéry Giscard d'Estaing.

Italy's Prime Minister, Lamberto Dini, made much the same point about the cost in European jobs a few weeks ago when he said it would be foolish to proceed with the Euro, the recently christened single currency, as long as EU-wide unemployment averaged nearly 11 per cent. Mr Dini seemed to underline Italian doubts about the wisdom of sticking to the 1999 deadline when he said that, as the country holding the EU's rotating presidency, Italy

COMMENTARY

would henceforth concentrate its efforts on job creation.

Meanwhile, Sweden's Finance Minister, Goran Persson, announced that he intended to relax the austerity programme he introduced last year, raise social security benefits and take measures to halve unemployment by 2000. This was tantamount to saying Sweden had no interest in joining a single currency in 1999.



De Charette: Looking for more flexibility

However, the real bombshell came from Spain on Tuesday, when the Foreign Minister, Carlos Westendorp, in remarks not intended for publication, revealed that the EU would delay the 1999 launch unless a "critical mass" of countries met the Maastricht targets in time. These included Germany, France, the Deutschmark-zone states (the Benelux countries and Austria), and at least one from Britain, Italy and Spain.

France was convulsed before Christmas by its worst social unrest since 1968, and its economic growth this year is likely to be well below government predictions. The Maastricht deficit target of only 3 per cent of gross domestic product in 1997 is looking increasingly difficult for the French government to meet.

Still, if there were enough political will, it is possible to imagine circumstances in which

France — and other countries with deficit and public debt problems, such as Austria and Belgium — would be deemed suitable candidates for monetary union even if they did not quite meet the Maastricht targets. After all, Maastricht permits countries to join the single currency if they are making sufficient progress towards, rather than actually meeting, the deficit and debt targets.

With Britain, Italy and Spain it is another matter. Few EU governments or independent economists think these countries will join up in 1999, either for political or economic reasons. The European Commission decided this week not to promote the Euro in Britain, a sure sign it does not expect Britain to be in the project from the start.

As for Italy, its formidably high public debt — 124 per cent of GDP, when Maastricht requires an upper limit of 60 per cent — makes it an unlikely participant. Spain not only has a budget deficit of 6 per cent of GDP but shockingly high unemployment of almost 23 per cent, causing one former finance minister, Miguel Boyer, to comment this week that for Spain the Maastricht timetable was "a political trap with a high economic price".

The European Commission complains that to associate Maastricht with unemployment and recession is unfair. Officials correctly point out that EU governments would need to cut their deficits whether or not there was a single currency project. However, if Mr Westendorp's leaked remarks are accurate, it seems likely that either the Euro will not be launched on time, or the Maastricht criteria will have to be reinterpreted.

The problem is that to dilute or delay Maastricht would almost certainly cause enormous turbulence on the foreign exchange markets, possibly dooming the single currency for ever.

Tony Barber

Fishermen to the rescue of a feathered friend in need



Breaking the ice: Anglers use an axe to try to free a grebe trapped in frozen waters at Roermond, the Netherlands

Photograph: Reuter

Americans brandish big stick over Bosnia

CHRISTOPHER BELLAMY
Tuzla

"Speak softly and carry a big stick," said Theodore Roosevelt, an adage the Americans are putting into practice in northern Bosnia. Although they lack the long experience of peace-keeping of the British and French, the Americans have stumbled on one of its cardinal principles.

The armoured bridge-layers and wide, low "Humvees", cross-country vehicles carrying heavy machine guns, mingle with thousands of other green and black vehicles bearing the Stars and Stripes, while military police direct everyone.

In the vastness of the desert in the Gulf war, the impression made by the huge US presence was diluted. But in the narrow Bosnian lanes the sheer numbers, professionalism, self-confidence and swagger of the US 1st Armoured Division convey an awesome impression of American power. No local warlord is going to mess with these people.

But for all their firepower, the Americans remain highly security-conscious. Their vehicles only travel in groups of four or more, while troops put on body armour and full battle equipment to move between buildings on the Tuzla base, which went on to a "red alert" this week af-

ter a scare report that a single black *mujahedin* Muslim fighter was on the loose in a US uniform. The *mujahedin* were supposed to have been out of Bosnia by mid-January.

Between half and two-thirds of the US-led Multinational Division (North) has now arrived, including troops from Norway, Sweden, Denmark, Poland, Turkey and Russia.

The Russians yesterday began moving in their main body of troops by rail through Hungary to Bijeljina, on the "Serb side", as it is now known.

Nato's supreme commander, US General George Joulwan, and the Russian special representative to Nato, Colonel-

General Leontiy Shevtsov, were due to fly to Tuzla from Moscow yesterday following talks with the Russian Defence Minister, General Pavel Grachev. However, the freezing weather had turned the huge Tuzla runway into an ice rink.

The nationalities already in Bosnia will in time be joined by small units from Estonia, Latvia and Lithuania. If ever there was a laboratory for international military co-operation, it is here. Incredibly, it might just work.

London (AP) — Bosnia may hold up to 300 mass graves, but it is not possible to secure them all, the commander of Nato's peace force, Admiral Leighton Smith, said yesterday.

"The last estimate I got is that there is somewhere between 200 and 300 suspected grave sites in Bosnia," he said.

Visiting Srebrenica, eastern Bosnia, last weekend, the US Assistant Secretary of State, John Shattuck, spoke of evidence that up to 7,000 lie buried in mass graves. Richard Goldstone, head of the international war crimes tribunal for the former Yugoslavia, said investigators would arrive at the reputed graves "in the very near future". On Wednesday, two Bosnian Serb leaders, Nikola Koljevic and Momcilo Krajcnik, promised to allow a full inquiry into alleged mass graves near Srebrenica and elsewhere.

PRODUCT RECALL

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The public are advised to return any affected bottles to the point of purchase for a refund.

All other Stella Artois products and packaging are unaffected. The unaffected products are Stella Artois 25cl sold in a 10 pack format. 25cl brown bottle packs. 25cl bottles with white labels. Stella 33cl bottles, Stella 330ml, 440ml and 500ml cans and Stella Dry 275ml bottles.

We are sorry to inconvenience you in this way. Even though there is only a slight risk to consumers, we think it is in everyone's interest that the bottles are withdrawn from stock.

For further information please call 0345 656065.

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**INVESTORS
CHRONICLE**
THE CITY INSIDE OUT

10
international

Spy scandal: Security agency disowns 'amateurish' snooping SA minister latest victim in bugging mystery

ROBERT BLOCK
Johannesburg

Someone is bugging, tracking and, in general, snooping on very important people in South Africa.

Over the past few weeks, the country has been rocked by reports that government ministers have been tracked and senior police officers' homes and offices bugged. James Bond-style, with electronic devices attached to their telephones, ceilings and cars.

In the latest revelation, the Minister for Land Affairs, Derek Hanekom, announced this week that a sophisticated tracking device had been found in his official car in November. For weeks he kept the thin metal transmitting device in the car as a threat, thinking it was an anti-theft device. After an aide expressed concern he took it to the police, who identified it as a chip capable of transmitting the minister's movements to airborne surveillance teams.



Vice-President Mbeki: Denies he was involved

The fact a government minister and top police officials, including provincial police commissioners, were being spied on is beyond doubt. The questions are, who is responsible and why?

Most fingers have been pointed at the National Intelligence Agency (NIA), the new internal security body whose activities are under investigation by a judicial commission of inquiry and parliament's intelligence committee. The NIA denies it was responsible for bugging the police and tracking Mr Hanekom, saying: "We would like to think that we, when necessary, do it more professionally than these obviously amateurish efforts."

Accused president wants referendum

Colombia's President Ernesto Samper, under widespread pressure to resign for allegedly accepting cocaine proceeds, has called for a referendum on whether he should stay in office, writes Phil Davison.

The country's worst political crisis in years erupted this week when Mr Samper's detained former campaign manager and defence minister, Fernando Botero, broke a long silence. It has said Mr Samper knew the 1994 campaign was taking millions of dollars from the Cali cocaine cartel. Mr Botero's lawyer, Fernando Londoño, went further, saying it was Mr Samper who solicited the money.

"Only two people on the

A spokesman, Willem Theron, dismissed the reports as the machinations of rival security organisations who want to discredit the agency. "The whole thing sounds strange to us. Our stated policy is that we do not spy on political parties' officials," he said.

Doubts linger about the NIA's denials. Perhaps the most damaging allegations against the NIA were made at the weekend by a former municipal official, Werner van Greunen, a former secretary to a mayor north of Johannesburg, said he was hired by the NIA with the knowledge of the Deputy President, Thabo Mbeki, to spy on National Party members in local government and report on "unconstitutional activities which threatened the government".

Among those he said he was ordered to spy on were Butch Breitenbach, brother of a former defence minister, Wynand Breitenbach. Mr van Greunen said his targets were members of the Broederbond, the semi-secret conservative society of Afrikaner intellectuals.

Mr Mbeki's staff denied all knowledge of spying operations involving Mr van Greunen. They said he approached the Vice-President volunteering information "which implicated senior government officials in criminal conduct". Because of the serious nature of the allegations, Mr Mbeki and the Safety and Security Minister, Sydney Mufamadi, met Mr van Greunen. But he had failed to back his claims with evidence.

Mr van Greunen has failed to provide proof to support his claims. There are suggestions he concocted the story to deflect attention from an investigation into financial irregularities.

Mr van Greunen insists he was a spy and Mr Mbeki and Mr Mufamadi were aware of his activities. "I am quite confident I have spoken the truth and that all the allegations made in my affidavit (to the police) can be substantiated," he said.

Whether or not the NIA was asked to spy on National Party members, there is evidence of unexplained surveillance. Mark Shaw, an intelligence expert at the South African Institute for Defence Policy, said: "The only thing you can say for sure is that these reports will form the first test of the government's commitment to oversight of intelligence activities."



Heavenly hosts: Workers clean and repair the dome of the National Cathedral in Guatemala City in preparation for the arrival of the Pope on 5 February

John Grisham wins his last case

John Grisham, Mississippi lawyer turned best-selling author, won his last case on Wednesday — at his first trial as a defence attorney in seven years. The author of *The Firm*, *The Pelican Brief* and several other novels with legal themes, convinced a jury that the Illinois Central Railroad was responsible for the 1991 death of a brakeman crushed between two rail carriages.

After two hours of deliberation, the jury awarded Barbara King \$683,500 (\$444,000) in the death of her husband, John. "It's the biggest verdict I've ever gotten. I'm tickled to death," said Mr Grisham, who was hired by Mrs King before he became an international bestselling author.

After a lottery draw, 25 Grisham fans got seats for the trial in the Lincoln County rail town of Brookhaven.

"Some of you may have heard of me through my books," Mr Grisham told the jury.

"As far as I'm concerned, that's totally irrelevant to anything we're doing here."

He added: "I'm not going to ask how many of you have read my books."

"I once asked some high school students that, and was humiliated."

PEOPLE



Mildred Trouillot: A distraction for Aristide

To some observers, the wedding of Jean-Bertrand Aristide and Mildred Trouillot last weekend was as much a political contract as a marital union, with the couple vowing to serve the Haitian people.

"When you look at this ring, remember me and remember you are an advocate of the people," the out-of-the-ordinary President told his bride, a New York-born Haitian lawyer, during the ceremony.

Ms Trouillot urged Mr Aristide to see his ring and "remember that it is better to fail with the people than to succeed without them, and with the people there is no failure."

Many poor Haitians were worried that Mr Aristide's commitment to them will wane now.

They reckon that his wife — simply a light-skinned foreigner to many — will not understand their suffering.

"This business about di-

vorcing the people — no way," the President said after the low-key wedding, during which the couple barely glanced at each other and exchanged only awkward kisses on the cheek.

Bernard Tapie is embarking on yet another career. The French business tycoon — an ex-pop singer, former television presenter, ex-government minister and former owner of the Olympique de Marseille football team — is to perform in a "teaser and cruel comedy" film, *Hommes, Femmes, Mode d'Emploi*, directed by Claude Lelouch.

"I've been asking Tapie to be in one of my movies for 20 years," Mr Lelouch told the newspaper *Le Figaro*. "He has an essential quality for the movies: he knows how to be convincing."

Mr Tapie wasn't convincing enough to avoid conviction last year on corruption charges. But Mr Lelouch, who won an Oscar for his 1966 film *Un Homme et une Femme*, is not worried.

"I have directed the top actors and I am confident — Tapie is a film star," he said.

The movie, starring Anouk Aimée, is about modern society as the century draws to an end, Mr Lelouch said.

He reckons Mr Tapie is typical of the times.

"He is a man in a hurry in an era that is in even more of a hurry."

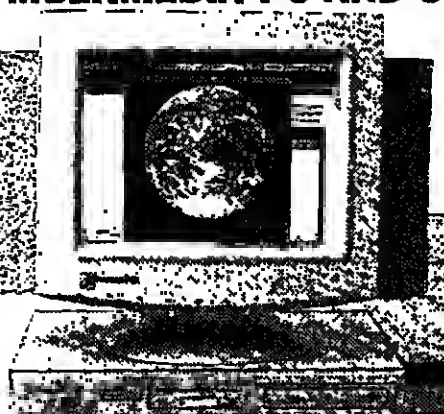
The filmgoer itself is being done quickly.

Mr Tapie still faces a prison sentence, against which he is appealing.

Maryann Bird

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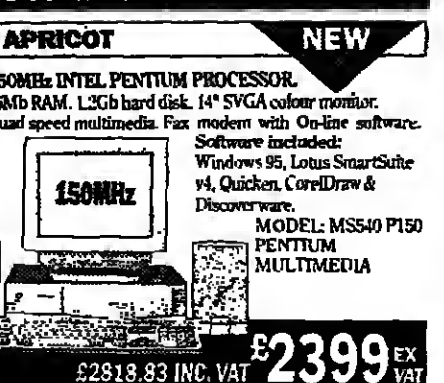
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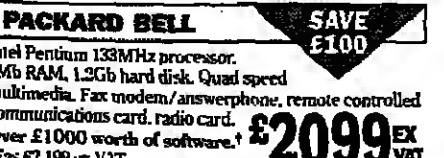
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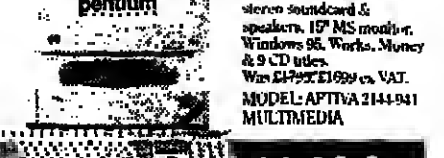
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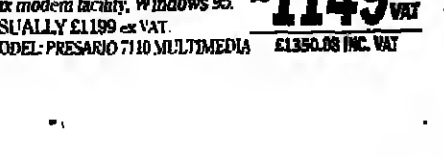
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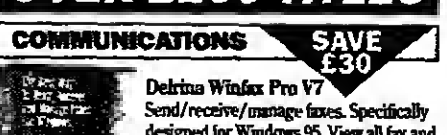
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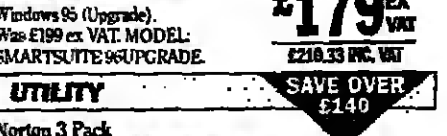
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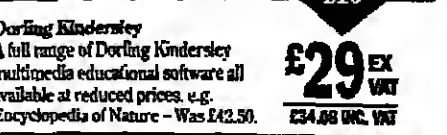


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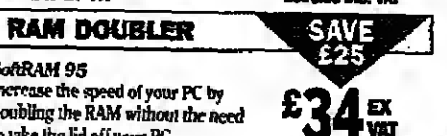
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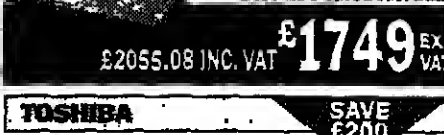
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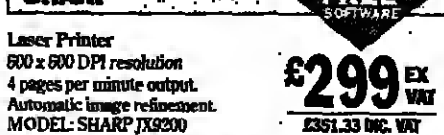
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Poor pay heavy price in China's brutal hospitals

TERESA POOLE
Peking

In the emergency wing of the Peking Children's Hospital, the three-year-old girl's parents were looking desperate. They had arrived from Yi county in central Hebei province, dressed in traditional peasant padded-cotton winter clothes, hoping to find a hospital willing to treat their daughter for leukaemia.

Tears rolled down both parents' cheeks as they explained what had happened. A doctor planned to check whether the girl was strong enough for a bone marrow operation. But even if she was, nothing would be done unless the parents provided a 20,000 yuan (£1,600) deposit, more than 16 times the average peasant's earnings in a year.

"We are only *lao bai xing* (common people)," wept the father. "Where can we find this large amount of money?"

Since they had arrived, the family had been staying on a construction site, where migrant workers from their village are employed, or in very basic hostels. The little girl was so weak she could eat only yogurt. If an operation was the only hope, they would return to their village 60 miles away and try to borrow the money, the parents said.

The Peking Children's Hospital is probably the best of its kind in China. But the scene in the waiting rooms gives some idea of the brutality of China's welfare system, even in one of the country's richest cities.

Human Rights Watch recently focused on the high death rate among orphans and abandoned children across China, often through deliberate neglect. But those horrifying statistics are only one aspect of China's harsh welfare system. It is shocking, but not surprising, that abandoned children are left to die in orphanages, given the way that some sick children who do have parents are dealt with, now that treatment is on a pay-as-you-go basis.

Leukaemia is a disease that many developing countries cannot afford to treat. But on a visit to the hospital waiting rooms there was no difficulty in finding other routine examples of children for whom there is no medical safety net.

A migrant worker from Sichuan who had been living in Peking for several years had brought in his five-year-old son, who was suffering from pneumonia. The father's clothes were ragged. As the child sat slumped on the ground in the corner, a medical orderly was telling the father he must pay 110 yuan (£9) for another dose of medicine. "Otherwise it is too late," she said. The father was in despair: "I do not have a place to live. Where can I get such money?"

In a rare act of compassion, a comfortably-off Peking father who witnessed the scene stepped forward and paid for the boy's injection. The medical orderly sneered. "It is useless," she said. "It can only support the child for a short period. How



Weighted down: A sick child in hospital in Sichuan. For rural Chinese, medical treatment is an expensive luxury. Photograph: Gilles Peres / Magnum

about tomorrow?" She told the boy's father: "You should find a permanent solution."

These examples illustrate the two-tiered medical system now operating in China. The gaping

divide is between city and rural people. The former, attached to *danzhi* (work units), are reimbursed, at least in part, for medical costs by their employers, unless they are unlucky

enough to work for a bankrupt enterprise. China's 900 million rural people, by contrast, including millions of migrant workers, usually have to pay for all medical care.

In their case, the former socialist medical system has virtually evaporated, while the new medical insurance schemes that are being tried out cover only a tiny minority.

At the Peking Children's Hospital, administrators said prices were the same for city or rural patients. The hospital works at its limits. The 700 beds are always full and about 5,000

people a day from around the country come for outpatient care. But for the Chinese government to plead lack of resources in this case seems disingenuous. This was a city that spent a fortune in a bid for the 2000 Olympics, and where the party chief is under "investigation" over a £24m corruption scandal.

In China's market economy, everything has a price tag. In the crowded hospital cashiers' room, the mother of a five-year-old boy recovering from a tonsillectomy was queuing to pay the 1,795 yuan (£144) bill for eight days in hospital. The bill was broken down in detail: Medicine 800 yuan; surgery 300 yuan; use of a bed 60 yuan; heating 300 yuan; nursing care 35 yuan; and food 300 yuan. The mother explained that her urban work unit would meet most of the bill for medicines but nothing else, as it was not an emergency.

This week the government organised a briefing to defend the country's human rights record. Amid talk of judicial procedures, and "hostile" Western human rights groups, Liu Hainian, director of the Law Institute at the Chinese Academy of Social Science, admitted that "another important aspect" to human rights in China was the provision of "social insurance". Human rights, he said, consisted of the right to social security as well as political rights. "More effort should be made to improve human rights in China," he said.

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Seoul blocking food for North

RICHARD LLOYD PARRY
Tokyo

The efforts of international agencies to prevent famine in North Korea are being hampered by the obstructions of South Korea's government, according to Western diplomats and UN officials.

North Korea suffered severe floods last summer, which inundated homes and rice fields in rural areas. An international appeal by the UN's World Food Programme (WFP) has drawn a disappointing response, generating only \$1.5m (£1m) of the \$3.5m necessary to feed half a million of the most vulnerable victims through the coldest part of the winter.

Widespread malnutrition among pregnant women and young children threatens to escalate into a famine affecting more than 2.5 million children and pregnant mothers, according to Trevor Page, the WFP's country director for North Korea.

"The government here surprised the world by asking for assistance last year," he said in Pyongyang. "They have admitted what the problem is. So where are the supplies?"

In Hawaii yesterday, the US assistant secretary of state for east Asian affairs, Winston Lord, continued talks with his counterparts from Tokyo and Seoul in an attempt to answer that question.

A food crisis has serious security implications for an economically flailing Stalinist country with a million-strong army massed near the border with its rich southern neighbour. The US has said that it is willing to provide aid beyond the \$225,000 committed last year. Japan has remained cautious, although the government wishes to establish full diplomatic relations with Pyongyang.

The obstruction is the Seoul government, which repeated its position yesterday. "The government considers it difficult to extend any aid to North Korea as long as the North refuses to resume an official dialogue with the South and keeps up an antagonistic stance," said the Prime Minister, Lee Soo Sung.

Officials from a third country, Seoul insists, must verify the severity of the rice shortage, and ensure aid does not reach the armed forces, which are believed to have large stockpiles.

Seoul has good reasons for caution. The government of President Kim Young Sam was humiliated last year when the crew of a South Korean ship carrying part of a 150,000-ton rice donation were forced to fly a North Korean flag, and accused of spying.

But foreign observers suspect a more practical reason for South Korea's stubbornness. In April, President Kim's party faces testing parliamentary elections. A tough line against the North is considered a solid vote-winner.

IN BRIEF

German scientist fed atomic aid to Iraq

Vienna — A German nuclear scientist supplied President Saddam Hussein of Iraq with key details on uranium enrichment, central to Baghdad's secret attempt to build a nuclear bomb, an official of the International Atomic Energy Agency said. The United Nations agency uncovered fresh information about the German, who was not named, while studying papers yielded by the Iraqis following the defection of Hussein Kamel Hassan, a son-in-law of President Saddam, to Jordan last August. **Reuters**

Ten-year-old pregnant runaway found

Houston — Police have found Cindy Garcia, a 10-year-old runaway who is eight-and-a-half months pregnant, and her boyfriend, Pedro Sotelo, 22, in a flat. Miss Garcia fled from a youth home on Sunday. She was being held in protective custody and Mr Sotelo was arrested on a charge of aggravated sexual assault. **AP**

Muslim Brotherhood set to enter politics

Cairo — Members of the Muslim Brotherhood, Egypt's largest fundamentalist organisation, have applied for permission to launch a political party, the brotherhood's new leader said. The party, which has 74 founding members, plans to call itself the Wasat (Centre) Party. **Reuters**

Cousteau's 'Calypso' back from the deep

Singapore — Jacques Cousteau's research vessel *Calypso*, which sank after being hit by a barge, was dragged from the murky waters off Singapore on Thursday for repairs at a local shipyard. The *Calypso* tipped over and sank on 8 January. Cousteau plans to replace the ship with a new, state-of-the-art vessel that is under construction in France. **Reuters**

Bahrain arrests more dissidents

Manama — Bahrain said it has arrested another group of protesters in a widespread crackdown on anti-government activities, and is now holding 544 dissidents. An interior ministry statement said they were being held in connection with alleged sabotage and riots in several Shia Muslim villages. **Reuters**

Saudi king well enough to appear on TV

Dubai — King Fahd of Saudi Arabia appeared on television for the first time since handing over power to his brother, Crown Prince Abdullah, on 1 January. Saudi Television showed the king, who suffered a stroke in November, receiving senior members of the royal family. **Reuters**

obituaries / gazette

Wilfred Stiff

Though Wilfred Stiff worked in a range of managerial positions within the classical music business over a period of more than 40 years, it is possibly his first achievement that will be remembered longest.

Fresh from active, often dangerous service with the Navy during the Second World War, he became secretary of the Liverpool Philharmonic Society in 1946. This brought responsibility as general manager for a Liverpool Philharmonic Orchestra facing major financial crisis, having gone full-time in the unpromising climate of 1942, when the city was a magnet for émigré London musicians. That the Philharmonic became established as one of the leading British orchestras (under the direction of the likes of Malcolm Sargent and Hugo Rignold) had much to do with Stiff's financial acumen, his determination that playing standards were central to success and, not least, his flair for artistic innovation. The relish for new ideas remained with him all his life.

Stiff's qualifications for the job in Liverpool were on paper merely those of many an amateur music lover. As a boy - educated at Tollington School in Muswell Hill, north London - he was head chorister at St Alban the Martyr in High Holborn. (Here admittedly his choirmaster was someone a little out of the ordinary - Reginald Goodall, later to conduct the premiere of Britten's *Peter Grimes*.) Apart from this Stiff was an avid concert-goer, a Queen's Hall devotee, but no sort of musical practitioner. The start of his working life was humdrum - as a clerk for the North Met Power Company.

War, as for so many who sur-

vived, broadened horizons and toughened sinews - excellent preparation for tooth-and-nail battles with the local Liverpool council over funding of the orchestra and financial responsibility for Philharmonic Hall. Stiff was involved in a string of innovations, inaugurating the Industrial Concerts which opened doors to new audiences (as I can testify from personal experience) and putting Prom concerts into a housing stadium. It was Stiff who sought for the orchestra the "Royal" prefix, which was granted shortly after his departure in 1956 for new challenges in London. Beyond the Philharmonic, Stiff had a hand in the formation of the Merseyside Youth Orchestra (which was to nurture Simon Rattle) and in bringing Glyndebourne to Liverpool - a coup which helped pave the way for the concept of Glyndebourne Touring Opera.

In London Stiff took the future in his own hands. Public relations in the musical field has a much longer history than tend to assume, but Stiff was nonetheless among the new breed who saw how important PR would be in the developing world of communications, forming Wilfred Stiff Ltd, which over 10 years handled the media profiles of the likes of the pianist Gina Bachauer, the London Symphony Orchestra and the inimitable Tom Lehrer. For three years from 1968 he stepped back into the management of a performing arts organisation, becoming administrative director of the then London Festival Ballet. Once again he rescued a sinking ship, balancing the books and doubling audiences, but ultimately he decided the world of ballet

held less appeal than the music itself.

A chance meeting at a dinner party with a director of the London Management Agency - which represented a string of top actors - brought Stiff into the field of concert artist management, where he was to remain until retirement in the mid-1980s. Having developed a classical music wing to London Management through the simple expedient of buying up an existing music agency, the Wilfred van Wyck office, Stiff then proposed acquiring Ibbs & Tillet, one of the legendary names in classical music artist management. When the deal fell through at the very last moment, Stiff had already moved into Ibbs and Tillet's offices at 124 Wigmore Street. So there he stayed, invited to become a company director by Emmie Tillet, widow of the firm's co-founder and one of the world's best-known managers.

This was a crucial time for the agency. A failure to move with the times was leading to haemorrhaging of staff and of musicians. When Mrs Tillet handed over the business to Stiff in the late 1970s, he presided over a dramatic turn-around in management style which, if not recapturing past glories, made a rebuilding process possible. Even so, selling artists in the modern, furiously competitive fashion wasn't exactly Stiff's style. He believed that the musical grapevine would see justice done. Ever the diplomat, he was at his best as a solicitous minder looking after, in his suave way, the needs of established international artists such as Emil Gilels, Clifford Curzon, Dietrich Fischer-Dieskau and the Amadeus String Quartet.



Stiff (right), administrative director of the London Festival Ballet, with Vessile Trunoff, ballet master, and Beryl Grey, artistic director, on the company's departure for Czechoslovakia, 1969

It was a shock to Stiff when the firm collapsed (amid an all-too-public controversy over alleged financial mismanagement) four years after he had retired and handed over the reins. That retirement was dizzyingly active, whether it meant continuing to serve on the board of Trinity College of Music, supervising the development of facilities at the Ealing tennis club, dipping his toe in local constituency politics or chairing the board of governors

at Brentside High School. Tennis and swimming were great passions, the former always prompting animated conversation and punditry. While not qualifying as a true raconteur, he was one of the great talkers, as I learnt early in 1978 when he phoned the shop where I was working with the offer of a job. Almost immediately the phone went dead and I returned to my tasks, expecting a call back. Several minutes later none had arrived so enquiries were made

with the switchboard. After further delay I was reconnected. Stiff was still talking, oblivious of any interruption. Wilfred Stiff is survived by his wife and tennis companion, the delightfully dry and wistful Susan, and three children.

Andrew Green

Wilfred Charles Stiff, music manager, born London 30 November 1918; married 1949 Susan Gill (two sons, one daughter); died London 15 January 1996.

Maj-Gen Ashton Wade

Ashton Wade's life and career covered most of the 20th century and tremendous developments in the technology of telecommunications. One of the founder members of Royal Signals in 1921, he went on to become the senior planning engineer to the Independent Television Authority in the years 1954-60, at a time of rapid change.

In 1915, with the Great War in progress, his eyes were opened to the enormous future of electrical communication by his uncle Sir Capel Holden, a Gunner Brigadier and a Fellow of the Royal Society. He came to Royal Signals from the Royal Artillery, which he had joined in 1916 (being seconded to the Royal Engineers from 1918 to 1921). The war extended into 1919 and took the young Wade to Ypres, where he was wounded, Caporetto and the Italian campaign, when he was awarded an MC, and to Russia.

In 1920 he was offered a place at Cambridge. Due to the efforts of Professor F.J.M. Stratton, an outstanding wartime Chief Signal Officer, the War Office had agreed that graduate training be provided to ensure that military engineering

advance in step with civil engineering. Wade took a First. He spent the remainder of the Twenties helping to build the reputation of the new corps. He moved to Caterick Camp, which became the home of Royal Signals in 1925, to instruct the Young Officer entry, and lived to see the handing over of the military garden city to the Infantry 70 years later.

After working for what became the Royal Engineer and Signals Board on research and design of equipment, Wade won a vacancy on the 1934 Staff College course at Camberley (fellow entrants included the geologist Ralph Bagnold), followed by staff appointments in India at GHQ in Simla, in Karachi, where much time was spent helping the victims of the great Quetta earthquake, and eventually in Java itself. It was always his regret that he did not spend more time in a regiment with Indian soldiers and thereby become more familiar with their language and customs.

Returning to England in early 1940 Wade was soon posted to France, where he took part in operations before being evacuated from Dunkirk. He was



Wade: 'a life on the line'

then informed that he would get no further Signals appointments; trained staff officers were in short supply.

The 2nd Division, which he joined as senior administrative officer, sailed for Egypt in April 1942. However events in Burma caused the ship to be diverted at Cape Town for Bombay. Wade was ordered to GHQ Delhi and promoted from colonel to major-general - one of the very few major-generals who never held the rank of brigadier. He dealt with all matters relating to British formations and soldiers then pouring into the theatre, and in

September 1944 moved to Madras in charge of the immense development of facilities for the invasion of Malaya, when formations freed from the war in Europe would arrive to help defeat the Japanese.

Much has been told of the preparations for D-Day in England, but because of the atom bomb and the enemy surrender remains work in India never receives attention. A further problem related to RAPWL, the returned allied prisoners of war and internees, many thousands of whom were shipped into Madras.

The end of the war brought much political activity directed at the early realisation of self-government in India. The different approach of Congress and the Muslim League flashed warning of internal troubles. Early in 1946 Wade was recalled to Delhi to plan and run an all-India internal defence exercise and I was borrowed from the Indian Airborne Division as his Signals Staff Officer. The task was immense and the time short. If there were any fears of failure they were soon dispelled by discussion with our leader. He was confident, clear-headed and calm, leaving his

staff to carry out their own functions. Plainly his reputation remained high at GHQ in New Delhi as he was called up there to serve on the Indian Armed Forces Nationalisation Committee.

In a final year overseas as GOC Malaya, he faced many problems in a country that had suffered seven years of enemy occupation and was witnessing the growth of activities of Chinese Communist guerrillas. The "emergency" which was to last for 12 years had started.

On his return to England in mid-1948 Wade was told that he was to be placed on the retired list. He was 50 years old, prime time for senior management, and he was out of a job. After three dismal months of job-hunting a temporary military appointment as Chairman of the Review of War Crime Sentences (Europe) Board came his way, followed by a second at the trial of the Nazi Field Marshal Erich von Manstein, which gave him work until the end of 1950. At this point fortune smiled. The Post Office asked the War Office to find a retired Signals officer to fill the appointment of Telecommunications Attaché at Washington. Ashton Wade

was approached. He worked in the British Embassy for six years at a time of rapid development in telecommunications; he also learned a great deal about independent television organisations. Back home this knowledge led to employment as senior planning engineer of the ITA for six years, followed by his appointment as regional officer with Anglia TV (1960-64) and at the Inter-University Research, Unit, Cambridge (1965-69).

Work for the WRVS till he was 77 and then for his wife's family firm took him into his late eighties and gave him time thereafter to write an autobiography, *A Life on the Line* (1988).

David Horsfield

Douglas Ashton Lofft Wade, soldier and engineer, born Saffron Walden 13 March 1898; MC 1918; OBE 1941; CB 1946; Telecommunications Attaché, British Embassy, Washington 1954-60; Senior Planning Engineer, ITA 1954-60; Regional Officer, Anglia, ITA 1960-64; married 1926 Heather Bulmer (died 1968; one daughter); 1972 Cynthia Halliday (née Allen); died Norwich 14 January 1996.

Professor Sir Harold Bailey

I think the origin of that Cossack-like costume of Professor Sir Harold Bailey's was slightly more romantic than described by Alan Rush (obituary, 12 January), writes Professor Jake M. Hancock. Bailey had long had a special

interest in the Ossetic languages, possibly because of their similarity to some Persian languages. During the Second World War there was a prisoner of war who had deserted from the Red Army to the Germans and had then been captured by the

British, and it was thought that he might be able to give useful information if only somebody could understand him. That somebody was Bailey, because the prisoner came from one of the Osset republics.

When Bailey attended the

celebrations of Rustaveli ("Georgian was one of my hobbies when I was a youngster"), he took the opportunity to visit Ossetia. There was no university there but he introduced himself to the principal of the local equivalent of a

Hochschule. They accepted his offer to lecture on a Western view of Osset literature, delivered in the local variety of Osset.

His astonished audience, for it must have been like a Japanese lecturing on Welsh literature

in Welsh, arranged for this local costume to be made for him. When the Fellows of Queens' College commissioned a portrait of him, it was Bailey's own request that he be portrayed wearing his Osset costume.

Ann Elwell

Ann Glass was one of MIS's conspicuous, yet suitably discreet, successes. From being a fun-loving member of "the Office" in 1940 she became a highly placed executive after the war when she replaced Anthony Blunt in Rome to read Mussolini's secret papers just after his death.

Ten years later she married a fellow MIS officer, Charles Elwell, and they were posted to Singapore, where Ann managed to find full-time freelance work while having three children in as many years - another example of her efficiency. In 1955 the Elwells returned to base, Ann had her fourth child and only left MIS to join the secret brainchild of the Foreign Office, the Information Research Department (IRD), which despite its catch-all title was in fact dedicated to ending Communism by any means. She made several trips for the IRD to the Middle East, her allotted territory. Although she retired officially in the late 1970s, people like her never really let go and from time to time she was asked for her expert opinion of, and/or to write, special reports.

Young hopefuls of today who may well be envious of her achievements might take note of the many talents that led Ann Elwell into the world of Intelligence. To start with, both her parents, Dr Robert Glass (a GP) and Eileen Smart, were determined that their only child should be well educated, an accomplished linguist, and a keen follower of the arts. To this end she went to Miss Paunce's (later Miss Lambert's) school in Bayswater, west London, became fluent in French and German, took School Certificate (a cross between today's GCSEs and A levels) at the age of 14, and visited pre-war Germany, where her German was so good that, when she found herself alone in a hotel lift with a German, he admonished her for consorting with "those terrible English people" - her parents.

As a precocious 15-year-old, she was sent to Florence to the Misses Lestrang's famed finishing school to combine learning fluent Italian with art tours and more than a dash of social high-life. Back in London she attended the Monkey Club in Port Street to be taught the domestic arts, the rudiments of typing, and how to behave in "Society". Somewhere along the line she added Spanish to her repertoire of languages. This somewhat rushed programme was finished off with a brief foray into acting at the Webber-Douglas drama school. Her mother then decided that her 16-year-old daughter should be a debutante; she came out at what was to be the last of the London seasons, in 1939.

I was an exact contemporary of Ann Glass's, going to the same children's parties and dancing school. At one of Vacani's annual dancing matinees at the Hippodrome Theatre, I have a vivid memory of her in a smart drum major's uniform as leader of the Ruritania Guard, while I had to settle for a pantomime dame's outfit as mother-in-law of the Prince, arriving on stage in a magnificent limousine of a pedal car (courtesy of Harrod's children's bairdressing department).

In 1940 we were both, aged 18, inducted into MIS as temporary wartime staff. Glass was recruited by Brigadier "Jasper" Harker, the Deputy Director-General, who had met her at a party. (Glass and a colleague were later responsible for introducing Michael Hanley to MIS who became Director-General in 1972.) I took the less-

er secretarial route. All the government offices requiring suitable, discreet secretaries went head-bunting to the secretarial colleges. I remember being offered the Ministry of Information at £2 10s a week or the War Office at £3. Avarice won out and so it was that we met again in the labyrinthine walkways of Wormwood Scrubs prison, part of which had been requisitioned by MIS. Here we were ogled by the prisoners, but the only danger was the falling glass from the glazed ceiling of the three-storey main corridor during air raids, or finding some shifty man looking up your skirt as you climbed the open metal-tread stairs. Ann Glass was soon transferred with a large section of the office to more elegant quarters at Blenheim Palace. Unlike most of the female staff, who were accommodated in makeshift dormitories at Kettle College, she installed herself at the Mitre in Oxford, until her social contacts led to the Duchess of Marlborough's insisting that she live in the private part of the palace as the duchess considered it quite unsuitable for her to live unchaperoned in a hotel.

Before long the remainder of MIS moved to a newly acquired building in St James's Street, with no regrets at leaving the dusty cells that had acted as scratch offices. After some time Glass returned to the London base. It was then that, with her



Officer material: Elwell in 1939

fluent Italian, she landed a marvellous "job" which made me (the aspiring film director) green with envy. She was given leave, at twice her salary, to be "secretary" (unofficial "watchdog") to Filippo del Giudice, the Italian film director who was acting as art director on the film *Noël Coward was making at Denham, In Which We Serve*. Coward had insisted that del Giudice be released from internment as an enemy alien for this job. Glass did so well that before long she was writing scripts and, as she thought, on her way to a career in film-making. It was not to be, for the Italian was "deared" and no longer needed a watcher.

At the end of the war, not many of the temporary female staff opted to stay on at the War Office but Glass was obviously officer material and did so, spending much time abroad. Meanwhile, her memorably sexy, deep bass voice grew ever bolder, making Marlene Dietrich sound like a near-soprano. Ann Elwell was highly intelligent but she was also funny and witty, an expert retailer of gossip, fundamentally kind, equally adept at dressmaking or making jam and demonstrably a good wife and mother. I don't know anyone who combines all these qualities, or indeed anyone remotely like her.

Marie-Jacqueline Lancaster

Ann Catherine Glass, intelligence officer, born London 16 June 1922; married 1950 Charles Elwell (two sons, two daughters); died London 12 January 1996.

Births, Marriages & Deaths

DEATHS

NICHOLS: Kenneth John Henney. On 24 January, peacefully at King Edward VII Hospital for Officers. Beloved husband of Pamela and dearly loved father, grandfather, friend. Private family funeral. Thanksgiving service to be announced later.

MEMORIAL SERVICES

DUFF: A service of thanksgiving for the life of Mary Geraldine Duff will be held at Great St Mary's Church, Cambridge, on Saturday 15 April at 11.30am.

Announcements for Gazette BIRTHS, MARRIAGES & DEATHS (Births, Adoptions, Marriages, Deaths, Memorial services, Wedding announcements, Memorials) should be sent in writing to the Gazette Editor, The Independent, 1 Canada Square, Canary Wharf, London E14 5DL, telephoned to 0171-293 2014 (24-hour answering machine 0171-293 2012) or faxed to 0171-293 2010, and are charged at £6.50 a line (VAT extra). OTHER Gazette announcements (notices, funerals, etc.) must be submitted in writing (or faxed) and are charged at £10 a line, VAT extra.

ROYAL ENGAGEMENTS

The Prince of Wales, President, the Prince's Trust, opens the new Venture Centre, Cranford, Surrey, and to Princess, Princess of Wales, the Queen's Life Guard at Horse Guards, 14 June 1996. Colonel General Charles, the Queen's Guard, at Buckingham Palace, 11.30am. Hand presented by the Scots Guard.

BIRTHDAYS

Mr Ronald Allison, journalist and broadcaster, 64; Mr Michael Beattie, humorist and writer, 74; Admiral Sir Desmond Cassidy, former Commander-in-Chief, Naval Home Command, 71; Mr Timothy Clifford, Director, National Galleries of Scotland, 50; Mr Martin Dunn, Editor-in-Chief, the New York Daily News, 41; Mr Jules Fellet, playwright and dramatist, 67; Mr Stephen Grappell, jazz violinist, 88; Mr Christopher Hampton, playwright, 50; Mr Kim Hughes, cricketer, 42; The Right Rev David Jenkins, former Bishop of Durham, 71; Miss Eartha Kitt, singer, 68; Mr Simon Langdale, former Headmaster, Shrewsbury School, 59; Miss Joan Leslie, actress, 71; Mr Paul Newman, actor, 71; Miss Veronica Owen, former Headmistress, Malvern Girls' College, 71; Mr Christopher Price, Principal Emeritus, Leeds Metropolitan University, 64; Mr Andrew Ridgeley, singer, 33; Mr Anthony Solomon, chairman, Singer and Friedlander, 66; Sir Charles Tibbitt, former chairman, Whitebread and Co, 70; Mr Nigel Wainwright, chairman, Carlton UK Television, 54.

Anniversaries

Births: Claude Adrien Helvétius, philosopher and encyclopaedist, 1715; Ugo (Niccolò) Foscolo, poet, 1778; Douglas MacArthur, general, 1880; Jacqueline du Pré, cellist, 1945; Deane Edward Jenner, physician, discoverer of vaccination, 1823; Charles George Gordon, general, killed at Khartoum 1885; Edward G. Robinson (Emmanuel Goldenberg), actor, 1875; Nelson Aldrich Rockefeller, statesman, 1894. On this day: Sydney, Australia, was founded by Governor Arthur Phillip, 1788; Hong

Kong became a British sovereign territory, 1841; the Rugby Union was founded, 1871; the first official Boy Scout troop - the first Glasgow - was formed, 1908; Hindi was made the official language of India, 1965. Today is Australia Day, Republic Day, India and the Feast Day of St Albert, St Conan of Maun, St Eysteine, St Margaret of Hungary, St Paula, St Theodora or Theodotus of Barking, St Timothy and St Titus.

Lectures

National Gallery: Grant Rogers, "Looking Forwards (IV): Cézanne, The Painter's Father, Louis-Auguste Cézanne", 1pm. Tate Gallery: Lubaina Himid, "Between the Two My Heart is Balanced", 1pm. Gresham College: Bernard's Inn Hall, London EC1: Professor Heather Cooper, "Quasars and Exploding Galaxies", 1pm.

Luncheons

British Council: Sir John Hanson, Director-General, British Council, hosted a luncheon yesterday at the British Council, London SW1, in honour of Professor S.S. Saidkasimov, Deputy Prime Minister, Republic of Uzbekistan.

Receptions

HM Government: Mrs Gillian Shepherd MP, Secretary of State for Education and Employment, welcomed the guests at a reception held yesterday evening at Lancaster House, London SW1, in honour of the US Fulbright students, scholars and fellows in Britain. Mr William J. Crowe Jr, US Ambassador, also spoke.

Dinners

HMS Victory: Admiral Sir Michael Boyce, Second Sea Lord and Commander-in-Chief Naval Home Command hosted a dinner yesterday evening on board the flagship HMS Victory, HM Naval Base, Portsmouth. Among those present were the Right Rev Francis Walsley, Bishop of the Forces, and Judge John Sessions, Judge Advocate of the Fleet.

Institute of Physics

Sir Arnold Wolfendale, President, Institute of Physics, presided at the Institute's Annual Awards Dinner held yesterday evening at the Savoy Hotel, London W1. Lord Flowers was the principal guest and speaker.

Pattenmakers' Company

The Duke of Gloucester, Patron, Pattenmakers' Company, attended the Annual Livery Banquet of the Company held yesterday evening at the Mansion House, London EC4. The Duke presented the Pattenmakers' Company's Young Manager Development Awards for 1995 to Mr R.J. A.D. Miller, Master, President, The Lord Mayor of London, Mr John Chalmers, and the Lady Mayress. Mrs Chalmers, were also present.

Synagogue services

Details of synagogue services to be held tomorrow may be obtained by telephoning the following. Sabbath begins in London at 4.45pm. United Synagogues: 0171-387 4300. Federation of Synagogues: 0181-202 2263. Union of Liberal and Progressive Synagogues: 0171-580 1663. Reform Synagogues of Great Britain: 0181-349 4731. Spanish and Portuguese Jews Congregation: 0171-229 2573. New London Synagogue (Masorti): 0171-328 1026.

Redesigned urn did not breach court order

LAW REPORT

26 January 1996

Haddonstone Ltd and another v Sharp: Court of Appeal (Lord Justice Stuart-Smith, Lord Justice Rose, Sir John Balcombe); 23 January 1996

An undertaking to the court, not to make and sell a product "of the same design" as that which had infringed someone else's copyright, was not breached by the design and production of a new product which, though strikingly similar to the infringing design, was not identical to it.

The Court of Appeal by a majority (Sir John Balcombe dissenting) allowed an appeal by the defendant, David Sharp, trading as the David Sharp Studios, against the decision of Sir John Vinelott as a High Court judge, on 5 December 1994, that he had breached an undertaking, recorded in a consent order made by Mr Justice Millett on 21 March 1994, in settlement of an action by the plaintiffs, Haddonstone Ltd, for infringement of copyright. The undertaking was not to "manufacture, advertise, sell, offer or expose for sale or distribute any article of reconstructed stone of the same design" as certain ones illustrated in the defendant's brochure. The products concerned were made of reconstituted

stone, a cement-based composition which can be moulded but looks, when set, like real stone. Architectural and garden ornaments can thus be made by a casting process at much lower cost than by carving solid stone. The plaintiffs claimed to be the exclusive licensee of copyrights subsisting in the designs of a range of such products.

The defendant admitted all the alleged breaches of the undertaking save one. This concerned a product called the Palace Urn, his original version of which had infringed the plaintiffs' State Vase design. After the consent order, the defendant started to manufacture what the judge called the new Palace Urn.

To the untrained eye, the new urn seemed virtually identical to the old. But the judge accepted the defendant's evidence that, after the consent order, he had looked through old Sotheby's catalogues of 19th-century antique garden furniture and had found a metal urn, from a scaled-up drawing of which he had created a new mould. He produced photographs showing the whole

process, which he said took 200 hours.

It was not disputed that the defendant was entitled to manufacture an urn within the general category of the Palace Urn, which was a recognisable and common garden ornament, featuring a campanula-shaped bowl with a curved decorated rim, a central frieze, handles on each side, a lozenge base to the bowl and fluted supports. No one or combination of these features could be said to be unique features of the plaintiffs' version.

The question, which the judge answered in the affirmative, was whether the defendant had gone further and produced a design which combined so many of the plaintiffs' features that it could be said to be in substance the same design.

Michael Hicks (Warren & Allen, Nottingham) for the defendants, Nain Purvis (Shoosmiths & Harrison, Northampton) for the plaintiffs.

Lord Justice Stuart-Smith said that the key words of the undertaking were "of the same design as". They were not, as they could have been, "of sub-

stantially the same design" or "of similar design." The parties had clearly chosen their words carefully.

The new Palace Urn was not the same as the old Palace Urn, and consequently was not of the same design. This accorded with what appeared to be the intention of the parties as expressed in the order. The undertaking was to stop the defendant producing and selling those particular articles advertised in his brochure, which were produced from existing moulds.

It was irrelevant that the defendant had adopted features which resembled but were not identical to the old Palace Urn, such as the egg-and-dart round the rim, rather than smaller medallions; a similar frieze motif and similar handles. The number of eggs and darts was not the same and the top was beaded and not plain.

The judge adopted the wrong test in asking himself whether the ordinary man in the street would differentiate between them. This was not a passing off action or infringement of a registered design. If the plaintiffs had wished to extend the scope of the undertaking they could have done so.

Paul Magrath, Barrister

THE INDEPENDENT

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Leaving peace in the lurch

Forty-eight hours ago, the political deadlock in Northern Ireland was about to be broken. Senator George Mitchell's report outlined six commitments that would push Sinn Féin irreversibly into non-violent politics, without the IRA immediately handing over its arms. The report was widely greeted as a diplomatic masterpiece, requiring everyone to compromise a little, but in return sharing out the fig leaves for everyone to hide behind. It seemed the controversy over when the paramilitaries should hand in their arms, which has dogged the peace process for months, had been resolved. All-party talks at last looked possible. The tension that had built up over 17 months of peace, but with little progress to a lasting settlement, was set to ease.

Sadly, that is not how it has turned out. Instead, the British and Irish governments are at loggerheads. The ugly nationalist-Unionist divide—with Dublin on one side squaring up to London on the other—has re-emerged after a decade of Anglo-Irish co-operation. No one can be sure how the hardliners within the IRA will respond.

The problem is that out of the blue on Wednesday John Major (to the surprise even of his counterpart in Dublin) made the creation of an elected Northern Ireland assembly the centrepiece of his response to Mitchell. That sounds harmless enough, but three previous attempts to create such assemblies either turned into vehicles for Unionist domination or collapsed in sectarian bitterness. As Mr Major made his announcement, faith in him among nationalists north and south of the Irish border evaporated. The Prime Minister may feel that nationalists have

over-reacted but he has to prove their suspicions wrong. The Prime Minister may have found a clever and as yet unthought of way of getting things going, if slightly later than expected. By dropping the Government's pre-condition that arms should be decommissioned before talks can start, he has opened the door to Sinn Féin. By accepting the Unionists' proposal for an elected body, he has made it impossible for them to stay away from all-party talks, even if these must now be delayed until the summer to allow time for elections.

As yet the role of the proposed assembly is unclear. Dublin might come round to the idea if the elections were simply a way to select a group of negotiators rather than—as the Unionists would like—an old-style assembly dominated by them which could take votes on issues of policy.

But as long as the Prime Minister fails to make his intentions clear, Dublin will suspect the worst. The Irish government fears that Britain has suddenly lurched away from seeing the Anglo-Irish relationship as the rock upon which a political settlement will be built. Many nationalists think that Mr Major, mindful of his tiny Commons majority, is in the pocket of David Trimble, the Ulster Unionist leader. They suspect that British initiatives are now designed to delay rather than enable political progress so that Mr Major can cling to power.

This depressing conclusion may well be mistaken given Mr Major's commitment to peace in Northern Ireland. But the Prime Minister now has a great deal to do to convince a large slice of increasingly sceptical opinion that he is still acting in good faith.

Teachers' pay is the first lesson

We've missed the point, it seems. Having got worked up about Harriet Harman's choice of a secondary school for her son we have overlooked some fundamental questions. Children's education is in trouble long before they reach the gates of the local comprehensive. That is the only conclusion that can be drawn from the first test results for 11-year-olds published yesterday. Half of England's 11-year-olds are failing the Government's tests for numeracy and literacy, which, for instance, include spelling words such as "question" and "gently".

We should be wary of reading too much into these results. Schools will become better at preparing children for the tests. Even without significant changes in the quality of education, the test results may improve considerably over time.

Despite that caveat, the evidence overall is not good. Government inspectors have long identified the education of seven to 11-year-olds as the weak link in the school system. Take just one telling comparison: research by the National Institute for Economic and Social Research (NIESR) shows that English children are up to two years behind their Swiss counterparts in maths in spite of spending 18 months longer at school.

The most serious problems lie in the nature and content of teaching. An overloaded national curriculum—as the Education Secretary, Gillian Shephard, yesterday admitted—leaves insufficient time for teaching basic skills. She has promised to pare it back. But teaching

methods should change, too. Studies by the NIESR show that our more successful Continental counterparts concentrate on teaching the whole class together rather than on individualised or group learning. Their emphasis on mental arithmetic, repetition and rote learning is more successful than allowing children to discover mathematical patterns for themselves.

The other crucial factor is the quality of teachers and the way they are managed. With thousands of qualified teachers leaving the profession early every year, and a high proportion of those that stay on demoralised, it is not surprising that children are not acquiring basic skills.

Perhaps the Department for Education should take a little advice from Adair Turner, the director-general of the CBI, who yesterday stressed that businesses had to invest in staff and pay them well. Successful schools, just like successful businesses, need a culture that encourages and rewards performance. The only way to turn teaching into the high status, well-respected profession that schoolchildren and parents need is to increase the rewards for good teachers and to remove those who prove unable to do the job.

Extra cash for junior schools means something else will have to give—possibly higher education, which could be partly funded through a graduate tax. If at the end of this week the only thing that everyone is agreed upon is that we should improve the quality of education for all our children, then rewarding good teachers well is the probably the best place to start.



'Why marry an English schoolgirl? She probably can't even read or write!'

LETTERS TO THE EDITOR

Private provision not needed to defuse the pensions 'time bomb'

From Professor Peter Townsend
Sir: The scaremongering of the Anson Report about a pensions "time-bomb" ("Call for action on pensions 'time bomb'", 24 January) must be dismissed. The Government Actuary and independent researchers have demonstrated that henceforth Britain will experience a slower rate of increase in the elderly population than all other members of the EU except Portugal.

The Department of Social Security has had to revise substantially downwards its estimates of rising costs issued only two years ago. The Government Actuary shows that after the introduction of the 1995 Pensions Act, there will need to be, on present assumptions, virtually no increase in existing rates of contribution to national insurance.

What matters in planning a strategy more than the ageing of the population is the premature retirement of people of active employment age, the problem of getting more young people into work, and the poor opportunities for women to get secure employment at reasonable rates of pay.

It is government cuts in the basic retirement pension and in the additional state earnings retirement pensions scheme which have brought impoverishment to pensioners and prospective pensioners alike and must be stopped. Except for top executives British levels of pension are already bottom of the European heap.

Yet Sir John Anson's committee produce recommendations that will worsen the already deteriorating situation of many elderly and prospective elderly. The committee was sponsored by the National Association of Pension Funds. That is a vested interest. Not surprisingly, it proposes to expand "funding" at the expense of pay-as-you-go (PAYG) state schemes.

This will only widen the gap already deepening between prosperous and poor pensioners, and it will increase the vulnerability of prosperous younger groups to catastrophic collapse in their own living standards because of the exigencies of redundancy, unemployment, sickness, disability, bereavement

and premature retirement during their working lives.

PAYG makes economic sense as well as social sense for the mass of the population. Higher national insurance contributions can boost national savings. They can provide collective benefits as a form of rights to assist the transition to work. Risks can be pooled at small administrative cost. Instead of paying through the nose for funded schemes, with very high administrative costs and profits, poor accountability, greater likelihood of multinational takeover and relatively poor coverage for unpredictable adversities, individuals can share the costs and benefits of a national scheme, and come to see they have a stake in society and not just themselves. That is eminently affordable, and it is tragic that the Anson Committee failed to address the evidence.

Yours etc,
PETER TOWNSEND
(Emeritus Professor of Social Policy)
University of Bristol
Bristol
24 January

From Mr Avner Offer
Sir: Hamish McRae writes ("Now we can see how old age looks", 24 January):

I do not think we trust governments sufficiently to give them more of our money. I agree. But do we trust private pension providers any more than the Government? The recent records of some of them are just as bad.

Dependence on the private sector is not the same as self-reliance. We do not have sufficient information to select a private provider. Once we make our choice, we become its captives. And if government is to guarantee our private pensions, then we are in the hands of government once again, and private providers have even greater licence to take liberties with our money.

The problem of old age provision is even more difficult than it seems. Yours sincerely,
AVNER OFFER
Reader in Recent Social and Economic History
Nuffield College
Oxford

Sex, Sugar and underage girls

From Mr Peter Luff, MP
Sir: I was disappointed to read Joanne Elvin's article "Some advice on sex and hunkers" (24 January). She claims that her magazine, *Sugar*, by offering practical sexual advice to young girls such as Sarah Cook, now illegally married to a Turk, can help make them more comforted and reassured.

In fact it is precisely magazines such as *Sugar*, by persuading girls that they are only really fulfilled human beings if they are sexually active at a young age, which contribute to tragedies such as that of Sarah.

On the face of it, Ms Elvin's argument may look plausible, but it is misleading. While no one is arguing for ignorance, most people feel girls of 12 and 13 should not be taught the details of masturbation and oral sex, and that they should not be encouraged to find personal fulfilment through promiscuity.

If anyone is in any doubt, I invite them to go out and buy the February edition of *Sugar* and read it for themselves. Their doubts will be quickly dispelled. Yours faithfully,
PETER LUFF
MP for Worcester (Con)
House of Commons
London, SW1
24 January

From Mrs Valerie Riches
Sir: There has been an understandable shock-and-horror reaction about the "marriage" of a 13-year-old girl to an 18-year-old young man, an arrangement apparently approved by her parents. The authorities consider the matter to be so serious that the girl is deemed to be in need of the care and protection of the courts.

In this country, the Government has a policy of providing "protection" to girls under the age of consent (16) in the form of free condoms, the Pill and post-coital contraception, in many cases behind the backs of their parents. In the year 1993-94, the number of under 16-year-old attendees at family planning clinics amounted to 37,000, an increase of 37 per cent over the previous year. These girls are subjects of unlawful sexual intercourse and are, arguably, in less stable relationships than the 13-year-old girl in question. To be consistent, there should be outrage about their plight—but not a whisper of concern about them. Yours sincerely,
VALERIE RICHES
Director
Family and Youth Concern
Oxford
25 January

From Mr David Kinsey
Sir: As the millennium is a celebration of the anniversary of the birth of Jesus Christ, it seems a touch bizarre to want to build new mosques and temples. What possible interest can atheists and people of non-Christian faiths have in these celebrations. Yours sincerely,
DAVID KINSEY
Hereford
25 January

From Mr Edgar Mehl
Sir: I agree with the Prince of Wales that we should not waste our lottery millennium money on a useless party but should invest the money in a more meaningful and useful manner for the benefit of society, or perhaps for the most needy. But why waste the money on religious buildings, especially those of minority religions, which further deter their adherents from assimilation with the bulk of this country's population? Yours truly,
EDGAR MEHL
London, NW8
25 January

From The Rev Andrew McLuskey
Sir: Perhaps in the light of a recent business takeover, some change needs to be made to an old schoolboy tag: *Caesar adsum iam Granada*. Yours faithfully,
ANDREW H. McLUSKEY
St Paul's United Reformed Church
South Croydon,
Surrey
23 January

From Mr A. R. Godfrey
Sir: While agreeing with your assessment of Maxwell as a thief, liar and bully (leading article, 20 January), you are incorrect when you say no one confronted him. The print unions did in no uncertain fashion. I know, I was there. One occasion, which lingers pleasantly in my memories of Holborn, was when a chapel meeting was being held by the machine minders in their locker-room and Maxwell hammered on the door demanding entry as "the building's owner" and was told to "piss off back to Czechoslovakia". Yours sincerely,
A. R. GODFREY
Berkhill on Sea, East Sussex
20 January

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Surrey
23 January

Return to hell?

From The Rev Derek Matten
Sir: Let the Church decide whether there is a hell or not; the question is, how to get there?

Any railway buff knows that, to reach the Kingdom of Heaven (*Himmelreich* station), one must take the Hell Valley Railway (*Höllentalbahn*) from Freiburg in Breisgau in southwest Germany.

I should know. I lived and worked for 12 years beyond both Heaven and hell, in Hinterzarten in the Black Forest. One might have had to go through hell to get there, but it was a heavenly place to be.

Yours faithfully,
DEREK MATTEN
Rixmored, Devon
22 January

From Mr J. Gwyn Griffiths
Sir: I was glad to note several of your contributors have

welcomed the Church of England's revised views of hell. Its report refers to "appalling ideologies which made God into a sadistic monster".

This is no empty tirade. A trenchant example is given by Augustine of Hippo, author of *The City of God*. He was able to recognise that torment in a fiery hell could not last for ever, since it was biologically impossible. In his *City of God* (21. 9. 47-8) he argued that the problem could be solved, since the ability of bodies to endure this torment for ever is "a miracle of the most omnipotent Creator".

Here is a piece of exquisitely subtle sadism which is ascribed to God himself. Yours faithfully,
J. GWYN GRIFFITHS
Department of Classics and Ancient History
University of Wales
Swansea
23 January

Unromantic Jane

From Ms Christine Kenyon Jones
Sir: Rhoda Koenig claims (Another View: "Why puritan America just loves Jane Austen", 23 January) that Austen's dialogue is "free of allusions to such arcane as the poetry of Byron". In fact, Anne Elliot and Captain Benwick discuss Byron's and Walter Scott's poetry in *Persuasion*, lightly satirising Byron's orientalism as they puzzle over the unpronounceability of *The Gleaner*.

As far as I am aware, Scott's and Byron's is the only English "Romantic" poetry to be mentioned in the novels. Austen preferred the older generations, particularly William Cowper, and Benwick's partiality for Scott and Byron is used to indicate his rather shallow sentimentality, which leads him to form an attachment to Louisa Musgrove while he is still apparently in deep mourning for his previous fiancée.

Which all goes to show the acuteness of Austen's social vision, even when applied to matters literary. Yours faithfully,
CHRISTINE KENYON JONES
London, SW4
23 January

Bank on it...

From Mr Alwyn James
Sir: On the first page of your round-up of Britain's private banks last week, you claimed that Coutts was the oldest British bank. On the second page, you gave its founder date as 1692 and that of Hoare & Co as 1672.

In fact, neither bank is Britain's oldest. Although it is difficult to determine when a jeweller who did a bit of banking on the side became a banker who did a bit of jewellery on the side, most observers agree that Child & Co, with business records dating back to 1585, was providing banking services decades before the other two. Yours faithfully,
ALWYN JAMES
Head of Internal Communications
The Royal Bank of Scotland
London, EC1
23 January

Post letters to Letters to the Editor, and include a daytime telephone number. (Fax: 0171-293 2056; e-mail: letters@independent.co.uk) Letters may be edited for length and clarity.

From the heart of the scrum, an aria

Yesterday I brought you an extract from a new opera about Welsh rugby entitled *Tristan and Gareth*. It told the story of two boys, Tristan and Gareth, who both taste success early on in the Welsh Schoolboys XV. However, they react to success in very different ways—Tristan determines to make rugby his career, while Gareth thinks he will just have a good time in the bar after the match, making friends with everyone. Tristan goes north and becomes a star in Rugby League, while Gareth goes to the bad and becomes a Welsh selector... Encouraged, I feel disposed to bring you another extract from this seminal work.



MILES KINGSTON

Barry: We discuss this every time. It is business held over. It is a recurring item. It is perennial agenda. It is a semi-permanent sore in the Welsh psyche. It is a chronic cross we all have to bear...

Ceri: Come off it, Barry! No need for the old Welsh gift of the gab here! The English may be impressed by it, but it cuts no ice in the valleys.

Barry: All right, fair enough. But any ideas on how to beat England? Or anyone, come to that? Just to refresh your memory, here are some methods we have tried in the past. We tried playing Paul Thorburn and Rupert Moon...

Gary: What was the point of that? Barry: Well, the idea was that if we played people with such obviously English names as Thorburn and Moon, the English would challenge us to prove that they had any Welsh blood, and be totally embarrassed by

finding that they were indeed Welsh.

Gary: Did it work? Barry: No. In fact, the English adopted the idea themselves and started picking players with Welsh names, like Dewi Morris.

Gary: And Irish names, like Kieran Bracken.

Barry: Right. So, anyone got any ideas for saving Wales?

Ceri: Only the same one as usual. (He sings.)

Cometh the hour, cometh the man, If anyone can save us, Jonathan can!

Jonathan Davies, Come back, please! We beg of you

On bended knees! (All selectors join in the chorus.)

O come back to help us, Jonathan Davies! Don't walk—we'll hire A limo from Avis!

If it's money you want Just name a sum, All in used fivers, But come back, come. For God's sake come back. Jonathan Davies

— You're the only one Who can possibly save us! (They stop singing and all listen. There is no answer.)

Barry: Well, it was worth trying. Gareth: If I may make a suggestion... Gareth: Gareth! What a surprise! You've never spoken before. We thought you were just here for the beer money.

Gareth: Well, yes, I am, basically, but I just wondered if you had thought of picking Tristan Jones...

Barry: The star of Rugby League? Is he Welsh?

Gareth: Oh, yes—he's an old mate of mine. I just thought it might be nice if he was drafted into the side, played a hinder, shimmied through for two or three tries and then scored the winning points at Twickenham with a last-minute drop goal.

Barry: What a great idea. Why didn't we think of it before?

Alan: We've had lots of great ideas before, Barry. It's just that none of them has ever worked.

Barry: Well, it's our last chance. Don't forget that if we come bottom again, we could be replaced in the home championships by Italy.

(They all sink into total gloom. The ghost of JPR Williams passes by outside the window, openly weeping.)

And so on, and so on. Incidentally, this would be a VERY cheap opera to put on, so if Jeremy Isaacs wants to get in touch, he knows where to find me.

ACT TWO. Scene one takes us to a meeting of the Welsh Rugby selectors, who have gathered in the upstairs room of a big pub, the Pont Talbot De Luxe Business and Conference Arms. The meeting is called to order by a man called Barry Davies, who is the chairman.

Barry: All right, lads, have we all got a pint? OK, then, down to business. There's only one item on the agenda. Ceri: Only one?

Barry: Yes. How to beat England at Twickenham.

Gary: Blimey, I thought we had discussed this before?

Fresh crisis for British Gas as levy call rejected

MARY FAGAN
Industrial Correspondent

The Government has dealt a swinging blow to British Gas by refusing to pave the way for a levy on its rivals to offset the massive costs of long-term contracts with North Sea producers.

The company has some £15bn worth of contracts that are forcing it to buy more gas than it can sell and it has called repeatedly for ministers to help bail it out of its predicament.

There are fears in the City that British Gas will cut its 1996 interim dividend because of estimated liabilities of £1.5bn related to the contracts. This year alone the company is paying £520m for gas it cannot yet use.

Richard Giordano, the chairman, has warned that the problem could be exacerbated by the planned introduction of domestic competition from April.

The blow came just a day after British Gas announced sweeping boardroom changes with the appointment as group finance director of Philip Hampton, the 42-year-old finance director of British Steel. The move allows his predecessor, Roy Gardner, to take on a much wider brief including renegotiation of the contracts.

Mr Gardner is increasingly regarded as the eventual replacement for Cedric Brown, chief executive.

British Gas said: "These gas contracts are part of the costs of restructuring the gas market. It would be inequitable for the full cost of transition from monopoly to the competitive market [from which consumers will benefit] to be borne by British Gas shareholders alone." But it pointed out that renegotiation was always seen as the key, with a levy as a "safety net".

A source in the company added: "With more than £1.5bn in payments to be made under the contracts, this is by any definition a very serious problem."

The Government's decision was applauded by a jubilant Gas Consumers Council. Ian Powe, director, said: "The levy was never going to be more than an insurance policy against British Gas going bust, but the political premium was beginning to look a bit pricey. Consumers would have found it intolerable that any government should think it reasonable they should bail out British Gas whose directors are well rewarded to sort out the company's own problems."

Provision for the levy would have been included in the new licences for public gas suppliers, including offshore companies and North Sea firms. The idea was to have a last-ditch solution in the event of British Gas failing to renegotiate and the industry descending into disarray, to the detriment of consumers.

Tim Eggar, Minister for Energy and Industry, said there were "encouraging indications of progress" in discussions between British Gas and the producers. But British Gas said negotiations were at an early stage and some North Sea companies say that the talks have barely begun.

One City analyst said: "This is a gradual wasting illness. British Gas will really have to start talking in earnest now that they have failed to win this safety net." Another said the company was in a state of "chaos" from which there was no simple escape and that it could not just blame the Government's decision to introduce competition in the market.

There is also a view, however, that the company may be overstating the size of the problem to gain sympathy. The Gas Consumers Council has called for an inquiry by the House of Commons Trade and Industry Select Committee to clarify the situation, but so far to no avail.

Kevin and Ian Maxwell will discover today whether the Serious Fraud Office intends to pursue or drop a share fraud case against them, following their sensational acquittal on two counts a week ago. The original indictment consisted of ten counts, two of which formed the basis of the eight-month trial which ended with the acquittal of Kevin and Ian and Larry Trachtenberg, a former Maxwell financial adviser, on charges of conspiracy to defraud.



D-Day: Kevin Maxwell (left) and his brother Ian will hear from the SFO today

Photograph: Edward Webb

SFO decision today on Maxwells

JOHN WILLCOCK
Financial Correspondent

Kevin and Ian Maxwell will discover today whether the Serious Fraud Office intends to pursue or drop a share fraud case against them, following their sensational acquittal on two counts a week ago. The original indictment consisted of ten counts, two of which formed the basis of the eight-month trial which ended with the acquittal of Kevin and Ian and Larry Trachtenberg, a former Maxwell financial adviser, on charges of conspiracy to defraud.

The committee wanted to know how more than £440m was removed from the Maxwell pension funds. Both brothers told the committee that they were unable to say anything, pending the criminal case.

If today the SFO drops any remaining criminal charges then Mr Field and his committee will be free to call them again. Last night he said: "Our primary concern will be how well the legal system and the regulatory system protected £440m in the pension funds, which no-one disputes was stolen. The question remains how it was stolen."

The remaining eight counts on the indictment include charges against two other former Maxwell employees Michael Stoney and Albert Fuller.

The charges were that Kevin Maxwell, Larry Trachtenberg and Albert Fuller conspired with Robert Maxwell to defraud the Maxwell Group Pension Scheme and AGA Pension Scheme by dishonestly pledging shares belonging to Maxwell and to First Tokyo Index Trust as collateral for a £250m loan to Mirror Group.

Kevin Maxwell conspired with Robert Maxwell to defraud the Maxwell Group Pension Scheme and AGA Pension Scheme by dishonestly pledging shares belonging to Maxwell and to First Tokyo Index Trust as collateral for a £250m loan to Mirror Group. Kevin Maxwell and Larry Trachtenberg conspired with Robert Maxwell to defraud the Maxwell Group Pension Scheme and AGA Pension Scheme by dishonestly pledging shares belonging to Maxwell and to First Tokyo Index Trust as collateral for a £250m loan to Mirror Group.

Abdullah wins in Water Hall vote

DAVID HELLIER

Raschid Abdullah, best known for turning a small engineering company in the 1980s into a mini-conglomerate called Evered, yesterday in effect won control of the board of Water Hall after a shareholders' vote.

Some 434 million votes were cast in favour of a resolution requiring Edward Weiss, the company's chairman, to stand down, with 155 million cast against.

Mr Weiss said that a small group of shareholders who owned significant blocks of shares and who a year ago agreed not to use their voting power against the board, accounted for approximately 60 per cent of the votes cast and they voted in favour of the resolutions.

Yesterday's events mark a return to corporate power for Mr Abdullah and his brother Osman who together turned Evered into an acquisitive mini-conglomerate before they were both forced out after a boardroom split.

The two brothers were also involved earlier in the management of Water Hall, when it was known as Starmin, but in 1993 they resigned their executive positions when the group was in need of a financial restructuring.

As part of that restructuring Raschid Abdullah, who remained on the board as a non-executive director, arranged some of the financing from Middle Eastern investors who yesterday backed him in the overthrow of Mr Weiss.

Mr Abdullah has argued that the group, which has been pulled around into profit by Mr Weiss, should now pull out of its traditional quarrying and landfill business and move into a new business.

Mr Weiss said yesterday that he regretted the outcome of the shareholders' vote "but wished the company well for the future". He pointed out that of the shareholders who voted on the motion, 1,284 voted against the motion and only 604 voted in favour of it.

However, the small group of shareholders that owned significant blocks of shares pushed the vote through on the Abdullahs' behalf.

As part of the resolution Anthony Smith, formerly with Wagon Industrial, will become a director of the company. He has said he will look at issues independently, although he is perceived to be a supporter of the Abdullahs.

Raschid Abdullah told shareholders at yesterday's meeting that he had an "open mind" about the strategy Water Hall should follow.



Set back on their heels: (left to right) Cedric Brown, chief executive of British Gas, Roy Gardner, recently promoted in a boardroom shift, and Richard Giordano, chairman

George denies being fixated on inflation

PAUL WALLACE
Economics Editor

Eddie George, Governor of the Bank of England, has defended himself against charges that he is fixated on controlling inflation and mounted a vigorous defence of the Bank's supervisory powers.

In a lecture at the London School of Economics, Mr George also delivered what many will see as an implicit rebuke to the Chancellor, Kenneth Clarke, for last week's unexpected cut in interest rates.

"Time and again we have seen attempts to stimulate the economy directly result in a relatively short period of faster economic growth, followed by recession brought on by the policy restraint which was eventually unavoidable to bring increasing economic imbalance and accelerating inflation back under control," he said.

The absence of any open endorsement of the cut in base rate to 6.25 per cent led many City analysts to conclude that the Bank would have preferred delay after the initial quarter point reduction in December.

However, Mr George said the new monetary framework under which the Bank's advice to the Chancellor is published six weeks after each monthly meeting was proving a success.

"What matters in the end is the results, in terms of our performance - on inflation, but also on growth and employment."

"All I would say to you is we have made steady progress in all these respects over the past three years, and the prospects remain very encouraging."

The Governor's emphasis on growth and employment formed part of a broader defence of the Bank's mission of price stability. Mr George said the Treasury Committee recently criticised Mr George for his unwillingness to concede that he had made a misjudgement last May, when the Chancellor overruled his request for a further rise in interest rates.

The Governor insisted that the Bank's mission of price stability was not a goal in itself, but "because we see it as a means to the end of precisely those good things in life which our critics assume we disregard".

Mr George defended the Bank's role in supervising banks. He argued the two objectives of monetary and financial stability went hand in hand: disturbances in the financial sector could disrupt the pursuit of monetary stability and vice-versa.

The blurring of financial institutions had created new regulatory challenges but the touted solution of a single financial services regulator seriously underestimated the complexity of the issues.

"Any central bank must monitor developments in the banking system very closely and that will necessarily involve monitoring individual banks."

ML boss makes £55m in biotech boom

MAGNUS GRIMOND

Kevin Leech, the chairman and co-founder of ML Laboratories, yesterday sold a share stake worth £55m as biotechnology stocks soared to new peaks in London.

The value of British Biotech, the largest biotech on the FTSE 100, broke through the £1bn barrier after one analyst reiterated his buy recommendation and several companies issued optimistic statements on current drug developments.

Mr Leech's ML Laboratories is reducing its stake in the USM-listed ML Laboratories from 66 per cent to 54 per cent in a placing at 40p. The deal will raise £55m for Milner, which is 66 per cent owned by Mr Leech and is the vehicle through which he backed the

medical inventor Jeremiah Milner before ML Labs was floated on the Third Market in 1987. The estate of the late Mr Milner owns the rest of Milner Labs.

ML is itself raising £25m in a placing at the same price. The money is to be used in the development of local, a kidney dialysis solution and the only one of ML's products currently on the market.

ML's shares rose 46p to a new high of 457p yesterday, despite the announcement of pre-tax losses which deepened from £2.26m to £3.4m in the year to September.

Excitement centred on the announcement that a clinical study of a potential AIDS treatment was "progressing well". The tests involve a new anti-vi-

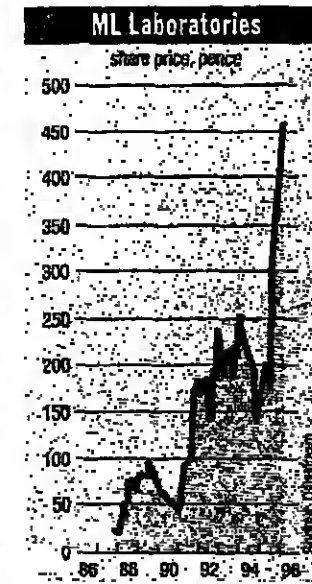
ral agent, D2S dissolved in Icodial, which it is claimed enables drugs to be delivered more effectively. But some analysts greeted the test results at London's Hammersmith Hospital with some scepticism, given that they only covered four patients with AIDS.

British Biotech, continuing to benefit from November's announcement of promising results from its Marimastat anti-cancer drug, rose another 70p to a record close of £21.68. The shares have now risen 29 per cent in just under a fortnight, although the company remains at a loss to explain why.

The main propellant behind yesterday's share movement seems to have been a reiterated buy recommendation by Ian White, pharmaceuticals ana-

lyst at Robert Fleming. But the shares have gathered strength during a recent round of visits by management to institutional investors in London and Scotland. Earlier this month, Guardian Royal Exchange announced that it had raised its stake to 4.1 per cent. Sentiment was further buoyed this week after a new non-executive director, Henry de Ruiter, picked up 3,000 shares.

Elsewhere in the sector, Cortec International, the Australian biotech company, saw its shares hit a peak, rising 33p to 270p. The company said it had achieved a "key milestone" in its development of a rapid, whole-blood, point-of-care diagnostic product for the detection of collagen breakdown, a key indicator of osteoporosis.



City warming to Rocco buyout

JOHN EISENHAMMER
Financial Editor

Big City institutions were last night showing initial support for Sir Rocco Forte's intention to buy back many of the hotels lost to the Granada takeover.

One senior fund manager said: "Rocco has more than a fighting chance of getting the equity backing he needs. Institutions are flush with cash and he has gained sufficient friends in the City by his defence."

Just 24 hours after losing control of the Forte empire to Granada, Sir Rocco announced his intention to lead a management buyout of the 167 Exclusive, Meriden and Heritage hotels with a book value of

£2.5bn. He is expected to seek a substantial amount of equity from institutions, with a pledge to float shortly afterwards. "He needs sufficient equity backing before raising the sort of debt required for a bid to proceed," a corporate banker said.

In a guarded response, Granada said it had only ever declared its intention to sell the Exclusive and Meriden chains. "In parallel with discussions with other interested parties, Granada would be happy to consider any proposal that Sir Rocco may wish to make concerning these particular brands, once he and his team are in a position to put forward a serious offer."

Analysts said a Forte bid for the hotels as a block had several advantages over potential rivals, so that he could afford to bid more. "Rocco knows all about the businesses, where the profits are, while everyone else is bidding blind. He stands the best chance of keeping the lucrative management contracts, and a block deal could be done in a tax-efficient way for Granada," said one investment banker.

Accor, beaten to Meriden by Forte when Air France sold the four-star chain in 1994, is believed to be interested in these hotels again. Speculation has also centred on the US buyout specialist Kohlberg, Kravis and Roberts as a possible financial purchaser. "But we have found nobody else internationally who

is interested in buying all the assets, many just want bits," a corporate financier said.

The Forte family will net about £320m from selling its shares to Granada, and is reported to have lines of credits for another £250m.

One institutional manager said: "That is a good basis for attracting equity from institutions for a bid for Forte New company. There is a lot in the idea that appears sensible."

Exclusive group's 18 luxury hotels include the George V in Paris and London's Grosvenor House. Meriden is made up of 85 business hotels, while Heritage comprises 32 inns.

Government raises £144m from BAA sale

RUSSELL HOTTEN

The Government yesterday raised £144m after selling its remaining stake in BAA, the airports operator, as part of a gradual disposal of its holding in privatised companies.

The Treasury sold the 2.86 per cent stake to Merrill Lynch for about 490p after a secret City auction for the business organised by NM Rothschild.

Dealers said Merrill placed the 29.5 million shares with several institutions at about 494p. BAA shares closed 1p lower at 495p.

The Government's sale had been expected since it indicated last year that it had asked Rothschild to divest the remaining post-privatisation shareholdings.

The sale of a block of British Petroleum shares worth £180m in December marked the start of this process.

The sales will continue with the disposal of a 14 per cent interest in Mersey Docks & Harbour Company and shareholdings in the privatised water and electricity companies and generators.

Labour Party critics have accused the Government of "selling off the family sil-

ver" to pay for tax cuts in advance of the next general election.

Rothschild was commissioned last year to sell a share portfolio of 34 government "bin-ends" worth more than £1.2bn, of which BP was the largest. The BP sale was claimed to be the largest bought deal of its kind in the City and used a rarely-employed procedure.

It is thought that Rothschild invited securities firms to its offices after the markets had closed and kept each team separate while they bid for the BAA business.

They were given little advance warning of the details of the sale, other than that they would be called upon to commit a large amount of cash.

Meanwhile, yesterday the chairman of BAA, Gordon Edington, warned that the world's airports faced a massive funding shortfall to meet the huge demand for investment in facilities.

Speaking at a conference, he said that the funding gap - \$50bn in the US alone over the next five years - could only be bridged by private sector finance as local authorities would not have the money.

STOCK MARKETS					
Index	Close	Day's change	Change (%)	1995/96 High	1995/96 Low
FTSE 100	3734.20	-24.00	-0.6	3759.20	2954.20
FTSE 250	4086.70	-0.20	-0.0	4086.90	3306.90
FTSE 350	1854.50	-9.40	-0.5	1863.90	1482.40
FT Small Cap	2003.76	+1.17	+0.1	2003.76	1676.61
FT All Share	1828.67	-8.50	-0.5	1837.17	1469.23
New York	5233.81	-8.03	-0.2	5242.84	3932.08
Tokyo	20114.69	+101.95	+0.5	20669.03	14485.41
Hong Kong	11103.08	+142.87	+1.3	11103.08	9967.93
Frankfurt	2443.72	+20.65	+0.9	2443.72	1910.96

Source: FT Information

INTEREST RATES					
Short sterling*	UK medium gilt	US long bond**			
3 Month	1 Year	Medium Term	Year Ago	Long Term	(% Year Ago)
5.25	6.06	7.38	8.87	7.54	8.84
US	5.47	5.13	5.69	7.77	6.10
Japan	0.44	0.72	2.87	4.59	7.85
Germany	3.53	3.28	5.05	7.45	6.64

CURRENCIES

£/\$

Day	Rate
F	1.50
S	1.51
M	1.51
T	1.51
W	1.52
T	1.52

£/DM

Day	Rate
F	2.20
S	2.21
M	2.22
T	2.22
W	2.23
T	2.23

£/¥

Day	Rate
F	160
S	161
M	161
T	161
W	162
T	162

Source: Reuters exchange rates and HSBC Bank Ltd at 1200 hours

Pound

	Yesterday	Change	Year Ago
\$ (£ London)	1.5147	+0.017%	1.5918
\$ (N York)	1.5075	-0.15%	1.5909
DM (£ London)	2.2361	-0.38%	2.4111
¥ (£ London)	161.293	-10.24%	158.185
£ Index	83.1	unch	88.9

Dollar

	Yesterday	Change	Year Ago
£ (London)	0.6602	-0.07	0.628
\$ (N York)	0.6633	+0.06	0.629
DM (London)	1.4793	-0.40%	1.6147
¥ (London)	106.485	-10.28	98.375
£ Index	99.3	unch	95.4

OTHER INDICATORS

	Yesterday	Day's chg	Year Ago	Index	Latest Yr Ago	Next Pkgs
Oil Brent \$	16.78	-0.23	16.69	RPI	150.7+3.2pc	2.9 15 Feb
Gold \$	407.0	+4.1	381.0	GDP	106.9 1.9pc	4.2 22 Feb
Gold £	268.70	+2.41	240.09	Base Rates	-6.25pc	6.75 —

OTHER INDICATORS					
Index	Yesterday	Day's change	Year Ago	Index	Yesterday
Oil Brent \$	16.78	-0.23	16.66	RPI	150.7
Gold \$	407.00	+4.1	381.0	GDP	106.9
Gold £	268.70	+2.41	240.00	Base Rates	-6.25pc

British Gas pays the price for its grand folly



COMMENT

If British Gas cannot find a way of negotiating the cost of the take-or-pay penalty down, or of absorbing the cost in its own balance sheet, shareholders should find a new management that can.

Common sense has prevailed, and the Government has told British Gas where to put its levy. The biggest surprise is that it took ministers as long as it did to come down against the idea of making gas consumers bail out a company which largely has itself to blame for highly priced take-or-pay North Sea supply contracts. There was never, in truth, much of a case for assistance, even though it plainly might be damaging for the consumer if British Gas descended into serious financial difficulty.

The company has never given a figure for the potential cost of continuing with the contracts. Sceptics have always believed the company exaggerates its plight. However, industry guesstimates do point to a liability of £1.5bn or more. Losses of anywhere near this would be exceedingly painful, representing more than three years of dividends at the latest rate of £0.30bn a year. But they are not enough to bankrupt a company with the shareholders' funds of nearly £5bn. With the shares hitting new lows almost daily, there is clearly concern in the stock market that the take-or-pay fiasco will none the less be used as grounds for cutting the dividend.

We are perhaps past the stage of needing explanations for this extraordinary affair. When British Gas signed so many high-price contracts — including three after 1991 — it obviously thought its supply monopoly would continue indefinitely. The plain truth seems to be that it simply failed to foresee the consequences of a fall in the gas price and the

present gas glut. Or at least it believed its monopoly so secure that it didn't matter what was happening in the market place, it would still be able to charge what it liked.

What makes the producers particularly hot under the collar is that the price British Gas's offshore subsidiary charges its own in-house supply arm for Morcombe Bay gas is even today higher than most of them get from the take-or-pay contracts at issue. In other words it is still paying itself more than it pays most other producers. It can therefore expect little mercy in the negotiations which must now begin with some urgency.

The man put in charge of sorting out the mess, Roy Gardner, needs a radical approach to the problem if British Gas is to emerge with any credit. It may well be that getting out of gas supply altogether, leaving the company as a gas producer and monopoly distributor, proves the most eloquent solution to the problem. Selling the supply arm piecemeal to the producers with the problematic contracts attached would also achieve in one stroke the fully competitive domestic gas market the Government wants.

Labour's mergers policy needs rethinking

By one of those odd coincidences, the Forté takeover battle came to a head just as the Labour Party was sitting down to decide on what kind of mergers policy, if any,

to put into its next manifesto. Since old Labour might well have blocked Granada's break-up bid and new Labour is highly likely to form the next Government, the party's thoughts on the matter bear some examination. Rightly or wrongly, the Forté battle has come to be seen as the very embodiment of 1980s-style asset stripping in which the short-term interests of a small group of powerful City investors and fee earners dominate over other "stakeholders".

As things stand, Labour is committed to that old canard of a mergers policy — that bidders should be required to demonstrate positive benefit or have their takeovers blocked. While in theory this is a fine idea, in practice it would make merger decisions highly susceptible to political whim and favour. It is easier to explain what is meant by the "stakeholder" economy than define the "public interest" in a takeover. The result would be a mergers policy run along the lines of Forrest Gump — you never know what you're going to get (sic). The present Government's purist approach — markets decide unless there are very clear cut competition concerns — may be at the other extreme but at least it has the merit of predictability.

It so happens that on Wednesday night, as Sir Rocco Forte was nursing his wounds, Labour's advisory task force on competition policy was holding its first meeting in Westminster. By all accounts, task force members came down heavily against the present Labour Party position. The mixed bag of

competition specialists and experts from utilities, retailers, cable companies and the National Consumer Council who make up the task force do not decide Labour policy. But they are expected to have a serious input into the manifesto, by helping politicians decide what is practical. Surprise surprise, what they want is to water down public interest and keep competition high on the agenda in merger policy.

In Europe, competition is the only factor. If Labour sticks to its present position it could be faced with the absurdity of having "big" mergers decided by Europe on competition grounds alone while only the smaller domestic ones get subjected to the full public interest works. A better approach would be to make the process by which investment institutions decide on takeovers much more open to public scrutiny and justification.

Minimum wage is the next step for the CBI

In itself, Adair Turner's speech at an Institute of Personnel and Development conference yesterday was rather less remarkable than the way it was killed. True, the CBI's director general told employers to pay their workers more. He even used the "s" word, though he gave the idea of "stakeholding" his own particular spin.

But he also argued that rising real incomes had to be earned through higher produc-

tivity. Nor could anyone disagree with the contention that increased pay should be skewed towards profit-related rewards and employee share ownership schemes. His message that Britain must avoid the danger of becoming a low-wage economy is the sort of thing many businessmen have been saying for years. Furthermore, his speech contained the familiar warning of the potential for a new upward wage-price spiral. All uncontroversial enough, it might be said.

However, Mr Turner's remarks have a logical extension that the CBI has so far refused to accept. That is the need for a national minimum wage. It is at the very bottom of the labour market that real incomes have fallen most precipitously. It is there where the sweatshop labour of those on very low incomes will do more for Britain's competitive position than persuading a few more big companies of the case for profit-related pay. As every businessman knows, to compete on cost alone is the road to ruin.

There is now a very respectable body of research showing that the level of minimum wage proposed by Tony Blair would not cause big job losses. On the contrary, it would improve recruitment and retention in low-paid jobs, and encourage firms to provide more training. The CBI still mistakenly argues the opposite. Even a low minimum wage would cause problems. It argued in its latest statement on the subject. Mr Turner should take his argument to its logical conclusion.

Slump in Airtours bookings continues

TOM STEVENSON
City Editor

Holiday bookings in the important new year selling season remain more than a third below last year. Airtours shareholders were told at the holiday company's annual meeting yesterday. Despite moves to reduce sharply the number of holidays on offer for next summer, the latest figures confirmed the difficulties travel firms are still facing matching supply with expected demand.

Airtours shares shrugged off the news, despite the doubt cast by the figures on its ability to re-

verse a dramatic profits slump last year. That was also caused by a big miscalculation of the appetite of British holidaymakers for overseas trips, compounded by a long hot summer that persuaded late bookers to stay at home.

Analysts said the news would have hit the stock harder but for persistent speculation that Airtours might be the subject of a bid approach from Carnival Corporation, America's biggest cruise business.

Last week, a leak forced Airtours to confirm that it was in talks with Carnival which might see the US giant take a stake of

up to 29.9 per cent in the British company. A spokesman for Airtours yesterday poured cold water on the prospect of a full bid and the company said only that it would make a further announcement as soon as there was anything to report.

According to the company, bookings across the industry are down 25 per cent for summer 1996 holidays. It caused its own 34 per cent decline by saying brochures had been delayed this year to avoid confusing travel agents.

In 1994 a rush of late bookings meant agents were still trying to sell holidays for that year after brochures for the fol-

lowing summer had arrived on their shelves.

The number of holidays travel companies have pre-bought for this summer is running 15 per cent lower than 12 months ago in an effort to reduce overcapacity and avoid the fire sale of unsold trips forced on the industry in 1995. Last year's oversupply was partly caused by reasonably buoyant sales in the early months which ran out of steam later.

Judging the likely demand for package holidays is always difficult for travel companies, with large numbers of holidaymakers leaving their decisions until

the last minute when, in recent years, they have been able to pick up unsold vacancies at bargain prices.

About one-fifth of the following summer's holidays are sold by Christmas and a further 25 per cent in the cold, dark months of January and February. After that, however, there is a lull in sales until July and August, when 30 per cent of the year's supply is sold shortly before departure.

Last year, Airtours saw its profits slide from £75.8m to £59.1m, the first decline in nine years. This time analysts expect a return to 1994's profits level,

although after stripping out the contribution of the new Sunquest subsidiary underlying profits are still likely to be down on two years ago. Winter bookings of the overseas operations are up 12 per cent.

Contrary to the poor prospects for next summer, Airtours said the winter season was "progressing satisfactorily". Bookings were running 4 per cent ahead of last year, in line with the market as a whole. Going Places, the Airtours travel agency arm, had increased its market share as the benefits of an expansion of its branch network flowed through to sales.

Brokers lukewarm on Railtrack prospects

PETER RODGERS
Business Editor

Railtrack's profit after tax will fall next year and will not regain the 1995-96 level even by the end of the decade, according to a downbeat analysis yesterday from SBC Warburg, global co-ordinator to the privatisation.

The brokers warned that the scope for Railtrack to grow its revenue in the near term was limited, although there was "some potential" to generate property development profits of about £11m a year.

The analysis is likely to be read as confirmation of the widespread view in the City that Railtrack will be lucky to fetch £2bn. It will also increase the pressure on the govern-

ment to write off a large part of Railtrack's £1.65bn debt ahead of the flotation, reducing interest charges and raising profits, as the chairman, Bob Horton, has sought.

The authors, Wyn Ellis, Andrew Fitchie and Bill Dale, said their numbers should not be construed as a profit forecast and they disclaimed any connection with SBC Warburg's role in the share sale. Nevertheless, their analysis is bound to influence City expectations.

Warburg suggested that pre-tax profits, including exceptional items, would be £178m in the year to March, £11m lower than last year. Next year they would rise to £195m, reaching £210m in 1997-98, £230m in 1998-99 and £251m the following year.

After-tax profits will benefit for the next two years from tax relief inherited from British Rail. The net profit will double this year to £203m, fall to £168m next year and by 1999-2000 they believe net profits will climb back only to £191m.

Improved efficiency and cost cutting were likely to be the main drivers of Railtrack's near term profit, with savings of 3 per cent a year on maintenance. "There is great scope for using people and technology more efficiently," the analysts said.

They described Railtrack's main qualities as substantial asset backing, a predictable revenue stream in a stable regulatory framework and a "substantial cost base" that would allow efficiency improvements.



Bob Horton: expected to increase the pressure for a bigger debt write-off

IN BRIEF

Member of WH Smith family sells shares

Philip Smith, the last remaining family member on the board of WH Smith, the troubled retail group, has sold a third of his holding in the company. He raised more than £12m through the sale of 3.24 million shares at 400p on Wednesday after the company had reported a sharp fall in profits. Jeremy Hardie, WH Smith chairman, said Mr Smith, who is a non-executive director, had sold the shares "to diversify his portfolio". He denied that the sale indicated a lack of confidence in the company's future.

National Savings cuts rates

National Savings yesterday cut with immediate effect the rates paid to savers across its range of products by an average of 0.5 per cent. The reduction includes Pensioners' Bonds, down from 7.5 to 7 per cent, and Index-Linked Certificates, down from 3 to 2.5 per cent, plus inflation.

Maize costs hit Tate & Lyle division

Sharply higher maize costs mean 1996 profits at Staley, Tate & Lyle's US operation, will be "below those achieved in 1994 and 1995", shareholders were told at the sugar company's annual meeting yesterday. The Staley downturn will hold group profits for the year to September to no more than last year's £311.1m.

Strike halves Boeing earnings

Boeing's net earnings fell 54 per cent last year as it suffered the effects of a 10-week machinists' strike and what analysts believe was the final stages of a long industry downturn. Boeing earned \$393m, or \$1.15 a share, for the year on sales of \$19.5bn, down from earnings of \$856m, or \$2.51 a share, on sales of \$21.9bn in 1994. Fourth-quarter net earnings rose 38 per cent, but only due to a tax credit as sales fell 11 per cent, largely because of the strike.

Rovers break half-million barrier

Production of Rovers and Land-Rovers broke the half-million barrier last year for the first time since 1989. A total of 501,300 vehicles were built, an increase of 4.8 per cent, while sales rose by 2 per cent. Almost half of sales were exports, with records set in Japan and North America. Rover recruited an extra 3,900 workers last year, taking its total workforce to 40,000, the highest figure for five years.

Fyffes buys Dutch stake

Fyffes, the banana company that acquired the Geest banana business last month, has acquired a 50 per cent shareholding in Anaco International, a Dutch fresh fruit and produce company. The business imports and distributes fruit and vegetables from the Canary Islands, Spain and Morocco.

INTEREST FREE CREDIT ON HOLIDAYS AND FLIGHTS

Fly now Pay later

Take off with The Independent and the Independent on Sunday's Fly Now Pay Later offer.

We've teamed up with Co-op Travelcare, one of the top travel agency chains in the UK, so that readers of The Independent can get up to £2,500 interest free credit on holidays and flights booked through our special service. So now you can take off when you feel the inclination — without paying anything up front. For example, on a holiday costing £2,500, at a typical APR of 14.9% you would save £328.

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How to Qualify for the Easy Payment Plan

Each day in The Independent and the Independent on Sunday, until Saturday 3rd February, we will print a different numbered token. In order to qualify for the Fly Now Pay Later Easy Payment Plan, you need to collect eight differently numbered tokens and keep them safe until you are ready to make your booking. Today we are printing Token 5.

How to Book Your Holiday

You can select any overseas holiday available from over 300 major name brochures, subject to availability. This includes holidays from major tour operators such as British

Airways Holidays, Cosmos, P & O Cruises, Airtours, Sunworld, First Choice and many more. Simply pick up the brochure of your choice and select your holiday.

If you are planning to visit friends or relatives, or simply prefer the freedom to travel independently, you can choose to book scheduled flights only, provided the overall booking value meets our minimum limit of £500. There are 49 airlines to choose from, including British Airways, Virgin Atlantic, TWA, Qantas, Air France and United Airlines.

With the Fly Now Pay Later Easy Payment Plan all you pay is the cost of your holiday, plus insurance. There are no hidden extra charges, providing that you fulfil the terms of your Easy Payment agreement.

The amount of the booking is payable by Direct Debit in 10 equal monthly instalments from the time of booking. At least three of these payments must be made prior to travel. If, however, you wish to travel within three months of making your booking, you may do so by paying your first three instalments (i.e. 30% of the cost of your holiday) at the time of booking. You are then free to make the remaining payments over the next seven months.

It is a requirement of the offer that you purchase Co-op Travelcare insurance at the time of booking. Details of the policy are available on request.

To check that your preferred flight or holiday is available, and that it is eligible for the Easy Payment Plan, simply call The Independent/Fly Now

WITH THE INDEPENDENT



Pay Later helpline below:

0161 827 1044

If the holiday is available, and you meet the credit requirements, the Co-op Travelcare's friendly reservations staff will complete a credit application form whilst you are on

the phone. If the holiday or flight that you require is not available, you will be advised of alternative options. Your rating will be checked in the normal way and a decision made instantly. The agent will then call you back to advise you of your status. In some cases, you may be required to provide further information before

your status can be confirmed. Once your application has been accepted, your agent will book your holiday for you. You will be asked to pay the holiday insurance premium by credit or debit card whilst you are on the phone.

Co-op Travelcare will send confirmation of your holiday booking,

together with a credit agreement and Direct Debit mandate which you will be required to sign and return in the pre-paid envelope provided.

If you have the relevant brochure, you will find a booking form at the back which you must sign and return, together with your eight tokens in a separate envelope, to: The Independent Fly Now Pay Later/Co-op Travelcare, Telephone Booking Centre, PO Box 53, New Century House, Manchester M60 4ES. If you do not have a brochure, you will be sent a booking form with your holiday confirmation.

If required, you can request a credit check at any time prior to booking your holiday by phoning The Independent/Co-op Travelcare number, however another check will be carried out at the time of booking to ensure that there has been no change to your status.

The Easy Payment Plan cannot be used in conjunction with any other Co-op Travelcare offer. Terms and conditions are as previously published.

Fly Now Pay Later

Token 5

INDEPENDENT

Fly Now Pay Never!

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Today you could win a seven day holiday for two in Rome, Italy, including flights and accommodation. Experience the magnificence of this historic city with such sights as the Vatican, the Colosseum, the Sistine Chapel, the Trevi fountain and the Catacombs to mention but a few. Or relax in one of Rome's countless cafes and restaurants and enjoy a real taste of Italian cuisine.

To enter our competition all you need to do is answer the following question and call the Fly Now Pay Never competition line on 0891 161 985.

Question: Which artist painted the ceiling of the Sistine chapel?
Calls cost 39p per minute cheap rate, 49p per minute at all other times. Lines close at midnight tonight. Postal entry can be made by sending your answer, name, address and telephone number to: The Independent/Fly Now Pay Never Day 5, PO Box 7298, London E14 9EG by no later than 29 January 1996. The winner will be picked at random after entry closes, from all correct entrants.

THE INVESTMENT COLUMN

Edited by TOM STEVENSON

Lookers moves up another gear

The announcement by Lookers of flat underlying profits and the acquisition of Northern Ireland's largest motor dealer neatly encapsulated the motor trade's two driving themes this year. Trading is difficult and likely to remain so, and the spoils, such as they are, are being enjoyed only by large groups able to capitalise on a marked shift in the way cars are being sold in the UK.

The acquisition of the Charles Hurst group for £25.3m will be part-funded by a one-for-three rights issue at 125p a share, 19p below yesterday's unchanged close of 144p, and well below the peak of 279p reached at the start of 1994. As the chart below shows, Lookers has been one of the sector's worst performers recently, with analysts critical of the speed of its dealership development programme. Before yesterday's acquisition, the size and location of many of the group's outlets were considered pretty second division.

For the year to September, profits slipped from £7m to £6.4m, due largely to a £435,000 charge for the closure of a Nissan depot. At 1.5 per cent of Looker's sales of £399m, the pre-tax margin was unexceptional and underlined the problems still afflicting a business where, as the chart shows, sales are still well below their 1989 peak. Earnings per share of 15.2p were down on last year's 19p, although the payout rose 5 per cent to 7.9p.

The Northern Ireland deal is probably good news for Lookers, taking it into an area of the UK economy that since 1992 has grown much faster than the average. The car market there has increased 32 per cent over that period. It has also taken Lookers into the new retailing concept of motor villages, increasingly the future of the business.

These offer potential car buyers a range of makes on one site, in effect a car supermarket, in contrast to the traditional single franchise sites that have reflected the stranglehold manufacturers have always held over their distribution chains.

The company has also appeared to pick up on the trend for successful dealers to increase the proportion of profits generated from used car sales. This has been crucial due to greater price awareness among consumers and a savage reduction in dealer discounts offered by manufacturers where mark-downs of 17 per cent have been replaced by cuts of 10 to 12 per cent.

On a single-digit price/earnings multiple, many of the doubts about Look-

ers' management and strategy are factored into the price. But in an increasingly two-tier market, where the best franchises fall to the bigger more successful players, the only attraction remains a chunky 7.4 per cent yield.

Rising costs hurt Holliday

Life on the stock market has been a miserable experience for Holliday Chemical Holdings. Floated at 195p nearly three years ago, the shares have had a switchback ride and are languishing at an all-time low following yesterday's 45p plunge to 119p.

After a series of unhappy brushes with the City, the profits warning that prompted yesterday's fall is the worst news yet from the company. Analysts have been revising down forecasts for 1995 since Holliday warned of difficult second-half trading conditions when it announced its interim in August.

But the outcome has been much worse than expected, with management accounts pointing to pre-tax profits cut

from £19.3m to £15.4m for the 12 months to December, even before net exceptional costs of £3.3m.

Like a string of other chemical companies forced to issue profit warnings recently, Holliday has been hit by rising raw material costs, which it has been unable to pass on in higher prices. That added £3.9m to last year's costs.

With raw materials prices cooling a little, the more worrying news from the company is the slowing of demand in the US and Continental Europe. The turnaround in plastics demand hit sales of high-margin blue pigments, cutting profits by £1.8m.

But the impact of lower demand has been felt right across the group, reducing sales by £6.4m between the first and second halves.

The destocking by customers that is said to have caused the problem is thought to be at an end, but the company admits that it does not know what the future holds.

The caution may prove to be short-lived, but it could herald a new recession in the chemicals industry.

Holliday is moving to restore its battered reputation in the City by raising efficiency, cutting an unspecified number of jobs and writing down plant for

a total one-off cost of £3.5m. That may prove insufficient if bleak conditions return to the industry and profits fall to, say, £14m this year. On a forward multiple of 13, they look fully valued, although at this level they could attract a bidder.

Unitech still looks good

The market's reaction to yesterday's results from Unitech was grudging in the extreme. Shares in the power supplies group fell 10 p to 499p in spite of a 45 per cent increase in pre-tax profits to £23m in the six months to 20 January. Sales were also up a healthy 20 per cent at £207m.

The share dip was largely due to the company's cautious noises about European markets. It said that sales had slowed in France while profits in the US fell 13 per cent mostly due to hiccups with some military contracts. But in spite of these local difficulties Unitech still has plenty of growth ahead.

The oddity of this company is its 50.6 per cent stake in Nemic Lambda, a Japanese power supplies group which contributed £14m of the group's £23m profits. There has been speculation that the company may seek to dispose of part of its stake as Nemic transfers to the full Tokyo stock exchange. Unitech does not want to reduce its stake but may have to do so in order to comply with Japanese regulations.

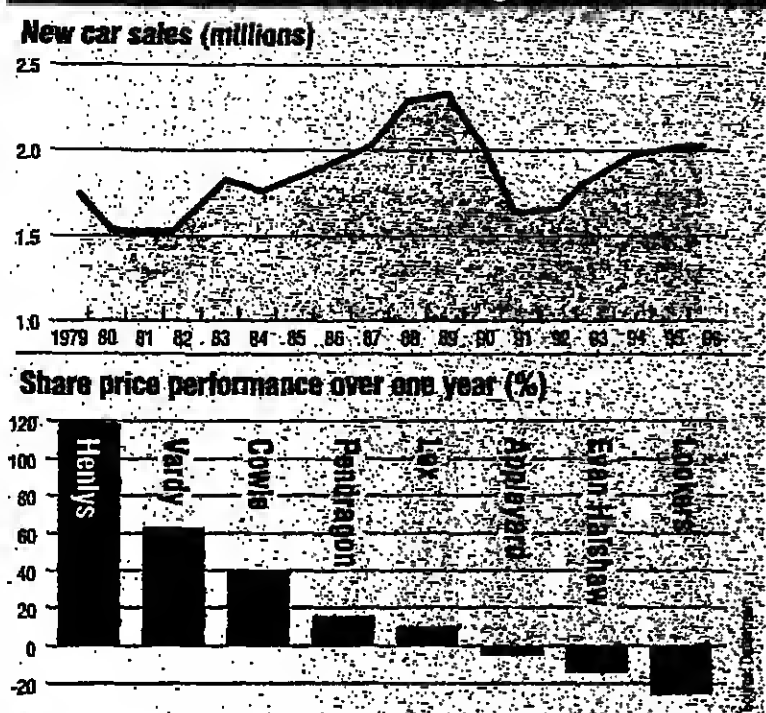
The other cloud which is hanging over Unitech is the 20 per cent stake held by Electrowatt, a rival electronics group. Electrowatt is currently involved in the purchase of Landis & Gyr and the Unitech stake may be sold to reduce gearing. The possibility of this stock coming on to the market at below the current price is casting a pall over the shares.

But at the trading level, longer term prospects look good. Forecasts suggest that the power supply division could grow profits by around 20 per cent a year for the next couple of years.

The market for power supplies is expected to grow and Unitech is in a strong position to grab a healthy slice, particularly in the growing Far East market.

After a strong run up from 124p in 1992 the shares have dipped since last September's 577p peak. A period of drift may follow until the Electrowatt position is resolved but with analysts forecasting full year profits of £49m, which puts the shares on a forward rating of 16, the shares still reasonable value.

Motor dealers: at a glance



Simon Pincombe CITY DIARY

Caught between a Rocco and a carved slate plate



The final European intervarsity debate at King's College London - that this house believes Europe is all mouth and no don - ended in a humiliating defeat for the island race. Not only was the motion defeated but the prize categories had to be altered after a scintillating piece of oratory from a Dutchman. The judges, including Lord Archer (above), were forced to rethink the somewhat condescending prize of "best Continental speaker" after the indubitably Continental Michael Boots of Leiden University walked off with the prize for best speaker. The hastily renamed prize for "best non-Continental speaker" went to Matt Guy of Oxford University.

quarter," assures a spokeswoman. Talk about kicking a man when he's down.

After 35 years *Anglia*, the publication that promoted the British way of life to the Russians in their own language, is about to die an ignominious death at the hands of Foreign Office cuts. Mandarin claim that the rag - which has often been used as a promotional tool for British business - is no longer relevant in a modern Russian economy dominated by a vodka-swilling mafia. Besides, British business couldn't give a double-headed rouble whether it survived or perished, one mandarin told me (in more diplomatic language, of course).

"When it was established it was difficult to get anything open or unbiased into the Soviet press," said a Foreign Office man. "Now there is a proliferation of news. But, be admitted, the pressing reason for the paper's closure was the budget review demanded by HM Treasury."

Heated debate north of the border over just who has run the worst-performing Tessa (the tax-exempt special savings schemes that have just matured).

Industry statistics show the honour to rest with Royal Bank of Scotland. However, a reader assures us that the mantle truly belongs to Bank of Scotland, which has so far avoided ridicule by not publishing its performance figures.

Either way, the big Scottish banks did not appear to get the hang of this Tessa business. Clydesdale also produced a bit of a dog.

IN BRIEF

Sales on the rise at Burton

Burton said it had shrugged off fragile consumer confidence over the past 20 weeks, increasing sales 5.9 per cent. Analysts upgraded their forecasts by about £8m to £128m, unworried by a small decline in gross margin.

Tugenhadt takes chair at Blue Circle

Abbey National's chairman, Lord Tugenhadt, is poised to succeed Sir Peter Walters as non-executive chairman of Blue Circle. Lord Tugenhadt, who is also a non-executive director of BOC and Eurotunnel, will succeed Sir Peter after May's annual meeting.

Midland unloads 3i stake

Midland Bank has offloaded its remaining 2.6 per cent stake in the venture capitalist 3i. James Capel placed 30 million shares at 404p. Midland reduced its 3i stake from 5.3 to 2.6 per cent as part of last June's £440m share sale by four bank shareholders. Lloyds and the Bank of England sold their stakes, while Barclays lowered its holding from 5.5 per cent to 2.7 per cent.

Heald moves in at Hepworth

Hepworth has appointed Malcolm Heald as finance director. He had previously held the same position at First Choice, the holiday company, and replaces Robert Lambourne. Before joining First Choice, Mr Heald was with Jacques Vert and Kingfisher's property subsidiary, Chartwell Land.

Cookson buys rest of Alpha

The diversified industrial group Cookson has bought the remaining 50 per cent in Alpha Metals of Japan from its joint venture partner, Electroplating Engineers, of Japan for \$1bn. The venture, set up in 1989, supplies solder paste, chemicals and laser-cut stencils to Japan's big electronic manufacturers.

Barbour Index profits slip

Profits at Barbour Index slipped 18 per cent as the information group incurred higher new service development costs. They fell from £1.9m to £1.57m. Barbour warned that the increased costs might not be matched by revenue and full-year results would therefore "not be materially different" from last year's £2m. Analysts had expected about £2m and the shares fell 16p to 295p.

Sales heat up at Kenwood

Third-quarter sales at Kenwood Appliances are well up on last year, the domestic appliance group has announced. UK operations were the star performer in the period, with sales 24 per cent higher, but the two Italian businesses acquired in November 1993 have also done well. Excluding the Italian operations, Kenwood's sales worldwide were ahead by 16 p, including the 24 per cent uplift in the UK. Kenwood's shares jumped 12p to 270p yesterday.

Looking up at Danka

Dan Doyle, chief executive of Danka, said he was pleased with third-quarter profits at the photocopier supplier, which showed growth of 60 per cent before exceptional severance costs. After

Moody's ponders US downgrade

DIANE COYLE
Economics Correspondent

American financial markets were unnerved yesterday by the news that Moody's credit rating agency might downgrade a chunk of the US government's Treasury bonds. The benchmark 30-year Treasury bond lost nearly a point, while the Dow Jones industrial index was nearly 13 points lower at 5,230.20 by late morning.

Moody's vice-president, Vincent Truglia, said the growing danger of a default on its debt by the Federal government meant there was a 50 per cent chance that the agency would cut the triple-A rating of \$387bn worth of Treasury bonds falling due on 29 February and 1 April. It is the first time Moody's has ever taken any negative rating action on US Treasury bonds.

Mr Truglia said Moody's had taken the Treasury at its word when it said no special measures would be available to make payments on its debt if Congress did not extend the government's \$4,900bn debt ceiling by 1 March.

The move follows a statement by Standard & Poor's earlier this week that even a temporary default would take Treasury bonds

from their current triple-A to the lowest possible single-D rating. In November, the London-based rating agency IBCA placed the US on a "rating watch".

Financial markets do not believe the US will default, and have been concentrating more on the likelihood of an interest rate cut next week. However, Moody's unprecedented action had politicians rushing out their reassurances.

Robert Rubin, Treasury Secretary, said he was confident Congress would pass a straight-forward extension of the debt ceiling. "I'm absolutely confident that this nation will not default on its obligations for the first time in its history," he added that Moody's had helped focus attention on the problem.

Newt Gingrich, Republican Speaker of the House of Representatives, said he had had a "good talk" with President Bill Clinton. "We took a big step towards solving the debt ceiling problem," he said.

The debt ceiling has been the Republicans' lever for trying to extract concessions in negotiations over how to balance the Federal Government deficit. The total amount of Treasury bonds outstanding is \$2,300bn.

Union calls for defence links to repel US invasion

RUSSELL HOTTEN

The European Commission yesterday called on governments to forge closer defence links to protect the arms industry against increasing domination by US companies.

In a week when Fokker's financial crisis underlined the problems facing Europe, the EC report warned an independent arms industry can only survive through closer co-operation.

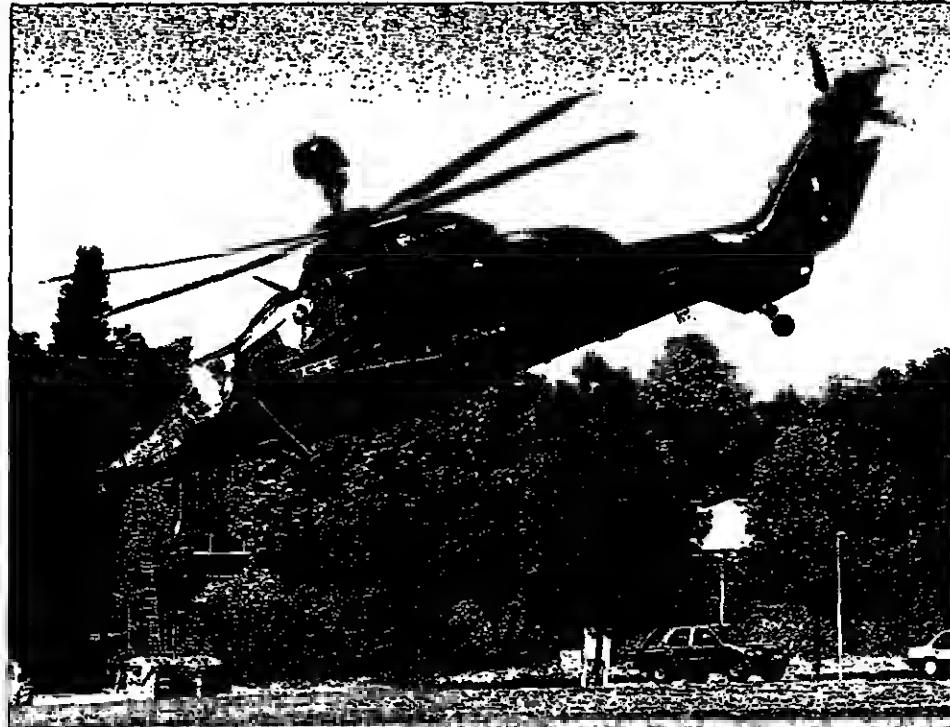
Martin Bangemann, the European Industry Commissioner, called for a common approach to defence procurement, import duties, and a buy-Europe policy to protect thousands of jobs.

Such comments will cause concern in the US, the main exporter of defence equipment to Europe. But Mr Bangemann said: "We want to improve our competitive situation. If the United States doesn't like it - I cannot change that."

But Mr Bangemann linked his call for closer co-operation with the eventual need for a common European defence and security policy, something that will be resisted by many in the British government.

The UK's decision last year to buy American-made Cobra helicopters rather than the European-made Tiger, was greeted with particular concern by other EU members.

Between 1988 and 1992, EU nations imported almost \$18bn (£1.2bn) worth of arms from the US while exporting less than \$1bn back. And between 1984 and 1992, the EU's industry shed 600,000 of its 1.6 million jobs, mostly in France, Britain, Germany, Italy and Sweden. At \$65bn, the EU's defence industrial output is less than half that of the US.



Tiger, tiger: Britain's decision last year to buy American-made Cobra helicopters rather than the European Tiger (above) caused particular consternation in the EU

Mr Bangemann proposed ending arms-related customs duties between EU member states, with the possibility of increasing those on US imports to the maximum rate allowed by the World Trade Organisation.

Joint procurement on some European defence projects would save EU budgets as much as \$14.5bn a year, Mr Bangemann believes.

But with defence industries so intertwined with national ambitions, co-operation on joint ventures is rare.

British Aerospace and GEC operate cross-border alliances, although further integration is

hindered by national political considerations.

At last year's CBI conference, Dick Evans, chief executive of BAe, spoke of the urgent need for deeper co-operation and rationalisation to meet the US challenge.

The speech was warmly welcomed by the Defence Procurement Minister, James Arbutnot, who urged the Government to co-operate with its European partners to bring about change.

Mr Evans said: "With the European defence industry in its current fragmented state, simply throwing the market open

to unbidded competition would be yet further invitation for US companies to slice their way into Europe."

The largest European collaborative arms project, recently moved a step closer to production, but it is far from airborne. Companies from Britain, Germany, Italy and Spain co-operate on Eurofighter, but it has been plagued by cost overruns and technology problems.

But it may help smooth the way to further integration between European industries, such as a proposed missiles merger between British Aerospace and France's Matra.

JD Wood confident of housing recovery

NIC CICUTTI

John D Wood & Co, the up-market estate agent, yesterday voiced "quiet confidence" in the likelihood of a housing market recovery, despite a 23 per cent fall in profits for the six months to the end of October last year.

The company announced that its pre-tax profits dropped to £231,000 from £301,000 in the same period in 1994. The fall came despite virtually unchanged turnover of £3.65m over that period.

George Pope, joint-chairman of JD Wood, said: "Our turnover has gone a little bit down and our expenditure has risen slightly, which clearly affected our profits. But we feel these costs will be absorbed over the full year, so that overall expenditure should fall. As for the future, in the past year the housing market has been hampered in the wake of an attack on the Government."

"We are now looking at a situation where interest rates are continuing to come down, there

is a greater move towards ownership rather than renting and increasing numbers of people, including Halifax, are talking about how the market is getting better. We think things will improve in the coming year."

JD Wood's chain of agencies, nine in the central London area plus seven others mainly in the South-East, generally saw a buoyant market, he added.

"Demand for property in the better streets and squares of central London, in particular Kensington, Knightsbridge and

Chelsea, has led to record prices over the last six months," said Ian Homersham, the other joint-chairman.

"Our lettings and management department has again produced a near 20 per cent increase in turnover."

"In the country, movement has been restricted by the lack of property coming onto the market as potential vendors await better circumstances. Nonetheless, well-situated period houses continue to sell if correctly priced."

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market report/shares

TAKING STOCK

Fund manager MAM could find itself a bid target

MARKET REPORT

JOHN SHEPHERD



Share prices among the leaders tumbled with the temperature in London. The FT-SE 100 share index lost all of the previous day's gains - which took it to a record - with a 24-point drop to 3,734.2.

Investors were quite content to pocket profits, and brokers took plenty of commission fees from more than 35,000 deals that resulted in a very high 1 billion shares changing hands.

A large part of the day's trading came courtesy of some special situations. More than 6 per cent of the session's total business was in BAA, steady at 496p, as the Government placed its remaining stake. Total volume in BAA was 63 million.

For the rest of the market, the session was one to forget.

Shares in Forte, which lost its takeover battle earlier this week, were also heavily traded, with 20 million going through the books. Granada, which could end up selling hotels back to Sir Rocco Forte, fell 3p to 704p.

Second-line stocks, buoyed by yet more takeover rumours, fared considerably better than the leaders. The FT-SE 250 index fell just 0.2 of a point to 4,086.7 and the FT All-Share rose 0.5 per cent to 1,837.17.

Takeover speculation continued to run in the breweries, pubs and restaurants sector. Guessing what Whitbread, 0.5p easier at 690p, will buy has become an established game.

A further high was set by JD

Wetherspoon, the pub company, which added 7p to 741p. Regent Inns, also rumoured as a possible target for Whitbread, hit a peak 737p with a rise of 8p.

Falls were recorded by some share prices that have been buoyed recently by takeover rumours. This group included Vaux Group, down 2p 299p, MyKinda Town, off a penny to 131p, and Group Chef Gerard, which lost 2p to 238p.

The market's appetite for biotech stocks remained insatiable - particularly for British Biotech, which spurted 70p to £27.38p. The shares traded at 500p last autumn.

Jan White, analyst at Robert Fleming, reiterated his buy recommendation for British Biotech. There was talk that the shares could run up considerably higher, and even to £30.

The biotech sector is now setting fresh highs on a daily basis. Other movements yes-

terday saw Cantab Pharmaceuticals rocket 85p to 530p. Cortec International sprinted 33p to 270p, and Scotia Holdings climbed 19p to 603p. M.L. Laboratories, traded on the USM, increased 46p to 457p on a £25m placing to fund development of its fucoidan dialysis solution.

Elsewhere, Bluebird Toys was lifted by the Mattel takeover move for Hasbro, and closed 15p better at 339p. Hasbro has a 7 per cent stake in Bluebird, which in turn has many of its toys distributed by Mattel.

Maiden results from Jasmim, traded on AIM, went down well. The shares, floated at 88p last November, climbed 12p to 103p.

Among the main fallers were Standard Chartered, down 26.5p to 636p, as the company issued a statement saying it knew of no reason for its recent strong share price performance.

There was strong demand for shares in Argus, up 1.5p to 43p. Morgan Grenfell Asset Management was said to be a big buyer of stock in the media-buying agency, which has a lengthy blue-chip client list featuring Kellogg's, Levi's, and Asda. The European-wide \$200m-billing account of Phillips Electronics is set to join the fold. Almost 13 million Argus shares were sold, equal to 1.6 per cent of the total issue.

Keep a watch on Manx & Overseas, traded on AIM. The price yesterday rose 2p to 21p as buyers appeared on the scene. There are rumours that the company, headed by Geoffrey Maddrell, former head of Tootal and ProShare, may be looking separately to float Enterprise, the Internet access provider in which it has a 30 per cent stake.

DATA BANK

FT-SE 100

3734.2 -24.0

FT-SE 250

4086.7 -0.2

FT-SE 350

1854.5 -9.4

SEAQ VOLUME

1.01bn shares,

35,387 bargains

Gifts Index

96.1 -0.05

SHARE SPOTLIGHT

share price, pence

British Biotech

27.38

JFMAMJJASONDJ

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Foreign Exchange Rates

STERLING				DOLLAR				D-MARK	
Country	Spot	1 month	3 months	Country	Spot	1 month	3 months	Country	Spot
US	2067	1-9	50-37	1000	13768	0-3	0-9	10326	
Canada	12959	29-15	30-27	1000	13768	0-3	0-9	10326	
Germany	22261	39-19	39-25	1000	13768	0-3	0-9	10326	
France	1987	31-15	31-25	1000	13768	0-3	0-9	10326	
Japan	12110	65-7	65-7	1000	13768	0-3	0-9	10326	
Italy	12110	65-7	65-7	1000	13768	0-3	0-9	10326	
Spain	12110	65-7	65-7	1000	13768	0-3	0-9	10326	
Sweden	12110	65-7	65-7	1000	13768	0-3	0-9	10326	
Switzerland	12110	65-7	65-7	1000	13768	0-3	0-9	10326	
Netherlands	12110	65-7	65-7	1000	13768	0-3	0-9	10326	
Belgium	12110	65-7	65-7	1000	13768	0-3	0-9	10326	
Portugal	12110	65-7	65-7	1000	13768	0-3	0-9	10326	
Greece	12110	65-7	65-7	1000	13768	0-3	0-9	10326	
India	12110	65-7	65-7	1000	13768	0-3	0-9	10326	
Singapore	12110	65-7	65-7	1000	13768	0-3	0-9	10326	

OTHER SPOT RATES

Country	Spot	Country	Spot
Argentina	1580	Nigeria	30762
Brazil	1580	Pakistan	10284
Canada	1580	Peru	10284
France	1580	Philippines	10284
Germany	1580	Portugal	10284
Italy	1580	Qatar	10284
Japan	1580	South Africa	10284
Spain	1580	Taiwan	10284
Sweden	1580	Thailand	10284
Switzerland	1580	UAE	10284
Netherlands	1580	USA	10284
Belgium	1580	UK	10284
Portugal	1580	USSR	10284
Greece	1580	Yemen	10284
India	1580		
Singapore	1580		

Note: Forward rates quoted here are for a 3 month period. For other periods, rates are quoted on request. For more information, contact your bank or the International Monetary Fund.

Tourist Rates

Country	Rate	Country	Rate
US	2067	Germany	22261
Canada	12959	France	1987
Germany	22261	Italy	12110
France	1987	Spain	12110
Italy	12110	Sweden	12110
Spain	12110	Switzerland	12110
Sweden	12110	Netherlands	12110
Switzerland	12110	Belgium	12110
Netherlands	12110	Portugal	12110
Belgium	12110	Greece	12110
Portugal	12110	India	12110
Greece	12110	Singapore	12110
India	12110		
Singapore	12110		

Interest Rates

Country	Rate	Country	Rate
US	8.25%	Germany	6.00%
UK	8.25%	France	6.00%
Canada	8.25%	Italy	6.00%
Japan	8.25%	Spain	6.00%
Sweden	8.25%	Switzerland	6.00%
Netherlands	8.25%	Belgium	6.00%
Portugal	8.25%	Qatar	6.00%
Greece	8.25%	South Africa	6.00%
India	8.25%	Taiwan	6.00%
Singapore	8.25%	Thailand	6.00%
		UAE	6.00%
		USA	6.00%
		UK	6.00%
		USSR	6.00%
		Yemen	6.00%

Bond Yields

Country	Yield	Country	Yield
US	8.25%	Germany	6.00%
UK	8.25%	France	6.00%
Canada	8.25%	Italy	6.00%
Japan	8.25%	Spain	6.00%
Sweden	8.25%	Switzerland	6.00%
Netherlands	8.25%	Belgium	6.00%
Portugal	8.25%	Qatar	6.00%
Greece	8.25%	South Africa	6.00%
India	8.25%	Taiwan	6.00%
Singapore	8.25%	Thailand	6.00%
		UAE	6.00%
		USA	6.00%
		UK	6.00%
		USSR	6.00%
		Yemen	6.00%

Money Market Rates

Country	Rate	Country	Rate
US	8.25%	Germany	6.00%
UK	8.25%	France	6.00%
Canada	8.25%	Italy	6.00%
Japan	8.25%	Spain	6.00%
Sweden	8.25%	Switzerland	6.00%
Netherlands	8.25%	Belgium	6.00%
Portugal	8.25%	Qatar	6.00%
Greece	8.25%	South Africa	6.00%
India	8.25%	Taiwan	6.00%
Singapore	8.25%	Thailand	6.00%
		UAE	6.00%
		USA	6.00%
		UK	6.00%
		USSR	6.00%
		Yemen	6.00%

Life Financial Futures

Contract	Settlement price	High/Low	End/Close	Open
Long Call	100.00	111.05	107.00	105.32
Long Put	100.00	103.00	107.00	107.00
Short Call	100.00	103.00	107.00	107.00
Short Put	100.00	111.05	107.00	105.32

Life FT-SE Index Options

Contract	Settlement price	High/Low	End/Close	Open
Long Call	100.00	111.05	107.00	105.32
Long Put	100.00	103.00	107.00	107.00
Short Call	100.00	103.00	107.00	107.00
Short Put	100.00	111.05	107.00	105.32

Commodities

Commodity	Price	Commodity	Price
Oil	15.00	Gold	15.00
Gas	15.00	Silver	15.00
Wheat	1		

sport

FA CUP COUNTDOWN: Coventry defenders have a Georgian on their minds. Guy Hodgson reports

Kinkladze firing City's revival

There are many reasons to believe that Giorgi Kinkladze has settled in England. His outstanding form for a start and the eagerness of his club, Manchester City, to extend his contract well into the next century. Then again things occur to the Georgian that suggest otherwise.

The danger that yellow lines represent, for example. Let loose with a car this week, he parked on the double variety as he accepted an award as Greater Manchester's outstanding sports personality for December. The result was a missed chance to see Simply Red in concert, a towed-away vehicle and a £105 fine.

The following day he was still mystified. "The police stole my car," he kept saying with exasperation until the club's chairman, Francis Lee, took him to one side for a quiet word. Even then Kinkladze still had a "it wouldn't happen in Tbilisi" expression fixed in place.

Thankfully for English football, Kinkladze is happening over here. Bought for £2m, he is performing wonders in a weak team and is arguably the best purchase from abroad last summer, and that includes David Ginola or Dennis Bergkamp. Certainly City, who meet Coventry in the fourth round of the FA Cup tomorrow, would not swap him for either.

His goal against Leicester City in the third round showed why. Not many players can collect the ball on the half-way line, surge past two markers, bewildered waiting defenders on the edge of the area and score. Then few have his ability.

"I think he's one of the best I've seen in the last 10, 15 years," Lee, not a man to go overboard with praise, said. "If he continues to improve, gets stronger and develops sides of his game, we could just be looking at one of the best we've ever seen."

"I knew he had an exceptional talent but what he has done has shown an amazing strength of character. He came into a side which didn't win for 11 League games and it didn't affect him. He couldn't speak

the language. He was on his own. Everything was stacked against him. Yet he showed what a wonderful boy he is to come through all this and reach the standard he's at now."

Right on cue, as Kinkladze and Lee were talking, his goal against Leicester appeared on the television above them. The City fans allowed into the training complex to mingle with the players gawped in admiration and burst into spontaneous applause. A small, shy smile broke over the Georgian's face.

"I know I received the ball from Nicky Summerbee," he said. "Then nothing. I just ran forward. Instinct took over." Lee interjected: "How does Andre Agassi get a 100mph

'A lot of friends went to the war. A lot of friends died. I wanted to fight too. Everyone in Georgia did'

serve back? Do you think he knows? Georgi won't have a clue how he did it."

Clueless would be an apt description for Kinkladze's introduction to the Premiership. The 22-year-old was shifted around the field as City tried to find a position that would suit him and them, until his manager, Alan Ball, gave him a role he had also handed to another supremely gifted player, Matthew Le Tissier. He has since played like a Saïo.

Ball acknowledges that his other midfield players bore the brunt during the settling-in period. "When the kid was bewildered," he said, "and we were getting overrun in midfield, two players were doing the job of three. They did it unselfishly but in their minds I don't think they were too happy with it."

"They're happier now. Look at the ground he covers. He's

come to terms with what to do when we haven't got the ball and he's tackling back. The players admire him because he has worked on his game. The youngsters copy him too. In this country it's monkey see, monkey do and our players could not have better skills to follow."

Kinkladze acknowledges that he struggled at first but his perspective has been anchored by Georgia's war for independence. "A lot of friends went to the war," he said. "A lot of friends died. Any hardships or difficulties I have suffered since are nothing by comparison."

"I wanted to fight, too. Everyone in Georgia did, women and boys as well. Lots of people went to the war without even knowing how to use a gun." Dynamo Tbilisi's club president perceived patriotic duty differently, however, and transferred his player - with rock solid return tickets in the contracts - all over Europe to keep them out of battle. Kinkladze spent a year at Saarbrücken, a linguistic bonus now at City where there are three Germans on the staff.

The City players help Kinkladze off the field, taking him out to his favourite Chinese restaurants, making him feel wanted, and on it a protective shield surrounds the Georgian who is attracting the type of tackles that have forced other imports like Eric Cantona and David Ginola to lose their rag.

He is calmer, less precious, than either Frenchman and appears to have greater mental strength. There have been no perceptible mood swings and had tackles are met with a look of injured contempt rather than retribution.

When he came back from Anfield on crutches this season the first words his interpreters could prise from him were, "I'm going to play in the next game. I must play." He did as well.

"They kicked me in Georgia too," he says. "I'm used to it." The close attention that he will not doubt receive at Coventry does not worry him unduly either. The City players are encouraged to bounce the ball off Kinkladze even if he is marked tightly. "It is bad for me personally," he said, "but good for the team. If two or three players are concentrating on me there is more space for others. The FA Cup is very exciting for me. My dream is to play at Wembley."



Georgi Kinkladze, the Georgian international bought by Manchester City for £2m, is arguably the best buy from abroad during the summer

Photograph: Empics

fitness and form permitting, when Georgia play England in the World Cup qualifiers but his preference would be to go with his adopted City first. "The traditions of the two people are very different but they are warm

and kind in Manchester just as they are in Georgia," he said. "I have made many friends here, the chairman, the manager, my team-mates. It's my second home. I feel almost like I was born here."

Charlton the only man for England job

Since Terry Venables announced his intention to resign, England's national sport has stopped being football and become choosing a coach or manager for the England team. Amid the welter of comment and criticism, it is worth asking if there are any principles or guidelines that the FA could follow in selecting a manager.

How fair are the accusations that the FA hierarchy are "incompetent", "a sham", or simply "unfit" to do the job of choosing the next coach or manager?

The basic principles of selecting a manager of any enterprise are fairly straightforward. It is important to know, in advance, what the job involves, its objectives, the skills needed, the responsibilities and any other requirements. The FA, so far, have not performed badly against these criteria, despite the confusion created when a key employee announces he is leaving.

The FA have already identified the main professional requirements of the new manager. He will need experience of playing and managing in the top flight and must be willing to provide some continuity with the Venables regime. So far, so good, but the FA's real problems lie in satisfying other less

aspects of good selection practice. A successful candidate must be sure that he has the support of the people with whom he must work. The problem with the England job is that the FA is a disparate group of people with different interests, objectives and expectations. For some people the only thing that matters is England's playing success. Others want the England coach to be a media star while some want the coach to represent other aspects of the national game.

It is essential that the FA is clear about both the professional and personal attributes of the coach or manager before making a new appointment. The personal criteria pose special problems. At least three of the last five England managers or coaches were undermined as much by personal as professional issues.

The appointment of Venables seemed to be a victory for those who put coaching and media skills as their top priority. His chequered business career and legal entanglements were public knowledge. Anyone on the international committee party to his appointment but getting cold feet ought to have resigned.

The timing of highly publicised appointments poses special problems. The first priority is probably to damp down speculation by agreeing a clear timetable for decisions. There is pressure to make a decision before the European Championship finals in the summer. This might provide continuity but an unsuccessful campaign could undermine the new coach before he gets started.

The FA's task is made even harder by the limited number of English candidates who meet all the professional criteria. The

A business approach reveals a shortlist of just one candidate qualified to replace Terry Venables, says management consultant Tom Cannon

older managers in the top flight have limited international experience. The younger front runners like Keegan, Bryan Robson or Wilkins are just starting on their managerial careers. They are intelligent enough to see that only one England manager - Bobby Robson - has successfully returned to club football and even that was abroad.

The best way to choose the coach will, almost certainly, mean concentrating on the immediate task in hand - preparing England for the 1998 World Cup. Getting the team to the finals is a vital staging post in the recovery of the English game from the nadir of the

1994 campaign. The effort to prepare the team for the 1998 finals should involve Robson, Keegan and Wilkins in supporting and developmental roles, not as ways to make or break their career.

Against this background and using the FA's stated criteria, there are only two real candidates - Venables himself and Jack Charlton. It is astonishing that Charlton's name has not come forward. He meets all the professional criteria. He was a key member of the victorious 1966 team (Robson, Keegan and Wilkins have, so far, only known failure in World Cup campaigns.)

More important is Charlton's success with Ireland. In two World Cup campaigns he used the limited resources available to Ireland brilliantly. He should perform even better with the resources available to England. His personality and lifestyle are important defences against the pressures of the job. He has immense credibility.

It is much easier to imagine the up and coming generation of managers and coaches working with him than any other serious contender. The only potential serious barriers are his age and his willingness to speak his mind. At 60, his age is hardly a serious impediment. The dignity and assurance he showed over the last few years should reassure even the most timid FA administrator.

In the early stages of the search for a new coach, the FA have not performed badly. But with recruitment and selection the real test is the final choice you make. The best man or woman for the job should be the person best qualified, and competent. The challenge to the FA is to keep this in mind and avoid other distractions.

Professor Tom Cannon is chief executive of the Management Charter Initiative, a business management consultancy.

Questions of Sport

£40,000 to be won

Today we are giving you another sporting chance of an instant win. In last Saturday's paper, there was a Questions Of Sport multi-choice scratch card which, if you answer three sporting questions correctly, gives you the chance of an instant cash prize from £1 to £1,000. You don't have to be an obsessive fan to play - a good general sporting knowledge should suffice. But remember, you only get one chance to answer each question, so if you are in any doubt, check it out.

In tomorrow's Independent we will give you a new Questions of Sport scratch card. Like your last card, it contains eight games so that you can play daily through to Friday 2 February. As well as the daily instant cash prizes there is a weekly accumulator prize of £5,000 waiting to be won.

HOW TO PLAY

Today we are playing the section of the card dated Friday 26 January. Below are three sporting questions, each with three possible answers coded as A, B and C. Scratch off your answer to Question Twenty-two, either A, B or C in the Q22 column then repeat for Q23 and Q24.

THE QUESTIONS

Q22 Who has taken the most wickets in Test cricket?

- A: Kapil Dev
B: Richard Hadlee
C: Ian Botham

Q23 In John McEnroe's final match at Wimbledon he won the men's doubles. Who was his partner?

- A: Peter Fleming
B: Michael Stich
C: Brad Gilbert

Q24 In which country will the 1998 football World Cup be staged?

- A: France
B: Brazil
C: Japan

IMPORTANT

Scratch off ONE letter only for each question. If you reveal three identical cash amounts on any one game section on any one day, you win that amount. After you have played the last game on your card, total the cash amounts you have revealed. If your total is £5,000 you win or share the £5,000 accumulator prize. You could also win today's instant prize of £100 by revealing an asterisk.

HOW TO CLAIM

If you have revealed three identical cash amounts of £5 or under, DO NOT PHONE. Take the claim coupon OR a piece of plain paper with your name and address on it PLUS the relevant section of the card to one of the newsagents listed below. For prizes over £5, phone 01254 683666 (Irish Republic 0044 1254 683666) between 10.30am and 4pm today.

Participating newsagents: WH Smith, John Menzies, Forbuys, Martins/RS McColl, Dillons, Gibbs, Macs, Supergrids, United News Shops, Star News, K Balfour, Eason, GT News, Paperchain - Village Store, Paper Shop.

If you have any difficulty redeeming your card and coupon for a prize send both to: Independent Questions Of Sport claims, PO Box 60, Burnley, BB10 1SH.

RULES

1. No purchase necessary. Cards are freely available from newsagents or by sending a large size to: Independent Questions Of Sport Card Request, PO Box 41, Blackburn, BB2 6AG. One card per request.
2. The prize for each game will be awarded to the player or players making a successful claim.
3. All claims are subject to scrutiny and cards must be intact to be eligible for a prize. Cards with missing or torn areas are void.
4. Winners must agree to the publication of their names and photographs in The Independent and the Independent on Sunday.
5. Should more prizes be claimed than are available in any prize category, for any reason, a simple draw will take place for the prize.
6. Persons under 16 years old, employees of Newspaper Publishing plc, Mirror Group, European Publications Ltd, Newspaper Publishing plc retail agents, their agents and families are not allowed to play.
7. The Editors' decisions are final in all matters relating to the games. No correspondence can be entered.
8. Newspaper Publishing plc reserves the right to stop the game at any time and change the conditions.

QUESTIONS OF SPORT CLAIM COUPON

Friday 26 January 1996
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Huish fans hushed by Bath's finale

Non-League notebook
RUPERT METCALF

A cup-tie worthy of a far grander stage than the first round of the FA Umbro Trophy saw Bath City produce a remarkable recovery to defeat their local rivals, Yeovil Town, at a packed Huish Park on Tuesday.

After an hour of the replay Bath were 2-0 down, thanks to two first-half goals from the Yeovil striker, Leroy Whale, and had been reduced to 10 men by the dismissal of defender Chris Sugar.

Nick Burton pulled one back, though, and the Conference side equalised three minutes from full-time through Rob Cousins.

Seven minutes into extra time, substitute Deion Vernon put Bath ahead for the first time, while Yeovil's attempts to

hit back were hindered by a red card for Andy Flory in the second period of extra time.

Bath thus earned a second-round home tie against Enfield or Hayes, who will try for a third time next week to decide their first-round encounter. Tuesday's replay ending in a 2-2 draw.

While Bath survived against opposition from a lower league, four Conference sides were not so lucky. Working's dream of winning the Trophy for the third year in a row ended at the Isis League side Carshalton Athletic, where the holders were beaten 3-1 last Saturday.

On the same afternoon Wayne Clarke's Telford United fell by the same scoreline at Burton Albion, while in the midweek replays Emley overcame Morecambe, also 3-1, and a last-minute goal was enough for Gresley Rovers to beat Stalybridge Celtic 1-0.

New design pays off for British pair

Sailing

Sporting a radical new design of lightweight mainsail, the British Olympic pair of David Williams and Ian Rhodes kicked off with an encouraging third in the first race of the Tornado catamarans, writes Stuart Alexander from Miami.

The pair took a decision not to go to the World Championship in Brisbane earlier this month, preferring to work on a sail which has less battens - five instead of seven - and a lighter weight of sailcloth, and thus expected to provide greater speed.

While the race was won by the man who took the championship in Australia, Austria's Andreas Hagara, Williams and Rhodes could take satisfaction in putting Spain's Fernando Leon, strongly tipped for an Olympic medal later this year, and America's Randy Smyth behind them.

Less happy was Lawrie Smith whose opening assault on the trial to find Britain's Star class two-man keelboat representative, was marred by hitting the first weather mark, forcing him to take a 360-degree penalty turn.

Ban ends Edwards' cup run

Rugby League
DAVE HADFIELD

Shaun Edwards' proud record of playing in every one of Wigan's Challenge Cup ties during the eight seasons when they have made it their personal property is set to end.

The Wigan captain, who has appeared in 42 consecutive ties throughout the successful campaigns stretching back to 1988, was suspended for one match by the disciplinary committee last night, after being cited by Bradford Northern for tackling them said he left their scrum-half, Robbie Paul, with concussion.

Edwards was also fined £150 for what was described as a "reckless high tackle", with an extra £50 fine for another, "careless" high tackle.

The incidents, in the match that clinched Wigan's seventh successive championship 11 days ago, were viewed by the league, who ruled that there was a case to answer.

Edwards will now miss the match against Bramley on Sunday, unless an appeal this morning succeeds. If he remains banned, then Jason Robinson, who has been standing in for him during a recent injury

absence, is likely to continue at scrum-half.

Another international half-back, Tony Smith, will miss Castleford's tie against St Helens tomorrow. Smith, who played for England in the Centenary World Cup, has been suspended for one match after being found guilty of throwing a punch at a London Broncos opponent. Smith was not sent off, but was placed on report by the referee, Karl Kirkpatrick.

Although Smith is also to appeal this morning, Castleford may now be tempted to bring in Franco Botica for his first team debut after he came safely through an Alliance game - his first since breaking his leg in the summer - on Tuesday night.

Chorley, one of three clubs warned this week that they will be expelled from the league if their results do not improve, have vowed to fight for their place.

"We are disappointed that the league has made this statement, but we will respond positively by showing that we should be there," said the club's solicitor, Simon Robinson.

Chorley were beaten by the amateur side, Thatch Heath, in the fourth round of the Challenge Cup.

Barrie-Jon Mather yesterday failed in a High Court bid to gain his release from Wigan so he could join the Australian club Perth Western Reds.

The centre, who was placed on the transfer list in November after a contract dispute, walked out claiming they had failed to adhere to his contract, something Wigan have denied.

At a two-hour private hearing, Sir Peter Webster refused to grant Mather a temporary court order requiring Wigan to apply for his release pending a full hearing of the dispute. Mather's lawyers said they were considering an appeal.

TODAY'S NUMBER

20m

The amount in dollars (£13.6m), that Sparta Prague, the football champions of the Czech Republic, are in debt. The club's phone lines were cut yesterday when Czech Telecom took action over unpaid bills which stood at £7,000 last October.

New Questions Of Sport scratch card in Saturday's Independent

THE INDEPENDENT

Stewart the jock of all trades

For someone who began the season as the Pittsburgh Steelers' fourth-choice quarterback — most teams only bother with three — Kordell Stewart can expect to see a lot of the ball come Sunday. Catching it. Throwing it. Running with it. Even punting it. For in a game which specialises in specialists, Stewart is the exception, the jock of all trades.

But if Stewart's story is one of the brighter strands of a troubled NFL season — his novelty and ebullient personality have made him the most talked-about rookie since The Franchise weighed in a decade ago — it also highlights a darker side of American football. The plight of the black quarterback.

Stewart, a likeable and relaxed 22-year-old, has played the pivotal position all his life, and was an outstanding success at college in Colorado. However, when it came to being drafted into the NFL a familiar pattern emerged. Like many of his colour before him, there was great enthusiasm for his remarkable athletic gifts, but reservations about his ability to lead an offense.

Would he consider changing to wide receiver or defensive back? "I just don't know why a quarterback has to be 6ft 8in and 230 pounds, with blond hair and blue eyes," he said recently. "A team will invest in someone like that and say that he's going to be its quarterback six years down the road. But why can't a team do that with someone who's 6ft 1in and black? People think a black

Matt Tench on Kordell Stewart, the running, catching, passing quarterback

guy isn't going to be a smart quarterback, and that's b.s." Stewart's predicament came a couple of years after Charlie Ward, another outstanding black play-caller, found himself undrafted, ostensibly because he was also considering a career in professional basketball. Jimmy Johnson, the former head coach of the Dallas Cowboys, and now in charge at Miami, suggested at the time that Ward had been the victim of discrimination.

"There's still a stigma that blacks can't figure out sophisticated pro-style offenses. It's a tragedy that Charlie Ward wasn't drafted. And don't give me that bull about how he was thinking of playing in the NBA," he said.

Stewart insisted he only wanted to work as a quarterback, and was taken by the Steelers in the second round, though his place in their depth chart hardly suggested he was being groomed as their play-caller of the near future. As the season began he did not even need to put a uniform on.

Then, as the Steelers made an uncertain start to the season, the head coach, Bill Cowher, approached Stewart to play wide receiver. Recalling the conversation, Stewart said: "When coach Cowher came to me and ask me, I asked him, 'Will quarterback be my thing in the future?' He said yes."

Ron Erhardt, the team's offensive co-ordinator, soon realised that in Stewart he had a player whose talents incorporated many positions. When this was transferred to the field his impact was little short of sensational. In a Monday night game against Cleveland Stewart ran twice, caught a couple of passes and threw for his first NFL touchdown. The match was screened coast-to-coast and a legend was born. He even had a nickname, "Slash", given to him by Cowher, because he was now listed as quarterback/receiver.

Erhardt, whose strategy was normally not so much conservative as Genghis Khan, relished the scope for unorthodoxy that Stewart allowed, and suddenly the Pittsburgh offense, long regarded as prehistoric, became the talk of the league. As the Steelers rebounded from a poor start to forge a route to Sunday's Super Bowl, the rookie became an increasingly vital part of their offense.

The Steelers are firm believers that Stewart presents one of the game's few intangibles. The Cowboys have the best defense he will have played against, lightning quick and unforgiving. Given the predictable nature of the Pittsburgh attack without Stewart though, Erhardt surely has no option but to try to involve him as frequently as possible. And it is just possible that Stewart's versatility will confuse what is not the most adaptable unit.

As to the future, Stewart said this week that he trusted Cowher to give him the chance to play quarterback. The contract of Neil O'Donnell, the team's starter, is up next month, but it would be a surprise if he is not offered a lucrative new one. Of Stewart, Cowher will say only: "I think he has a future as a quarterback-slash-receiver."

Stewart's best hope may rest with the league's rules makers. The NFL, which has a fascination for petty bureaucracy to make the boys in Brussels look positively laissez-faire, has already expressed its concern that Stewart is wearing No 10, a quarterback's number, but playing mainly as a wide receiver. Stewart says the only thing he will not do for the Steelers is change his number. Which means his team may have to play him more at quarterback, or trade him to someone who will.

Either way, there are many reasons for hoping that Kordell Stewart one day gets his chance to be a starting quarterback. It would be a shame if he were just a Slash in the pan.



Mr Versatile: Stewart does it all

Photograph: Allsport



Great Britain's John Shaw (left) on the attack in Barcelona yesterday

Photograph: Mike Cooper/Allsport

Britain on brink of qualification

Hockey
BILL COLWILL reports from Barcelona
Great Britain
Netherlands

and Belgium, to be sure of joining Spain and India (and almost certainly the Netherlands) who qualified earlier in the day.

Yesterday's game started at a cracking pace with Britain forcing a couple of early penalty corners without reaping any reward. It was against the run of play that the Dutch went ahead in the 23rd minute. Taco van den Honert taking advantage of confusion in the British defence.

The half ended in high drama. With Britain awarded a penalty corner in the final minute, the Spanish umpire, Santiago Duo, temporarily suspended two Dutch players for consistently breaking the line before the corner was taken.

Britain exploited their advantage at the beginning of the second half and were on terms within a minute. Chris Mayer, who throughout this tournament has caused problems with his speed, this time got on the scoresheet himself.

Restored to full strength, the rampant Dutch attack stormed forward with van den Honert claiming his second goal 11 minutes into the half from their first penalty corner. With just two minutes remaining, Calum Giles calmly walked on to strike home Britain's seventh corner for a well deserved equaliser.

Great Britain's victory was a relief for the team, who had been in a bit of a slump. The Dutch, who had been in a bit of a slump, were now back on top.

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Williams sharpen up for title challenge

Motor racing
DERICK ALLSOP

Williams-Renault chief said his engineers and mechanics should have sharpened their act and Hill should be similarly primed, physically and psychologically to make a better fist of their championship challenge than they did last season, when they were soundly beaten by Schumacher and Benetton-Renault.

The team are anxious to make up time at pit stops and Williams also believes time has been lost overtaking. He is urging Hill to be more positive in this area.

Schumacher is now with Ferrari after Williams, as their engineering director Patrick Head confirmed, had made inquiries last year about Schumacher's availability, but were priced out of contention.

Williams said Hill, second in the championship in consecutive years, "has a very good chance of the championship this time. But he needs to sort out his overtaking. He has to give us a quarter, he has to pass in a way that says, 'don't mess with me.'"

Hill, conscious of Schumacher's phenomenal fitness, has taken on the services of an Austrian physiotherapist/coach to upgrade his physical condition. "He is taking his preparations very seriously indeed," Williams said.

Williams signed the French-Canadian Jacques Villeneuve and expect him to win races, but feel Hill is a better championship bet. The threat to him, they think, may come from Benetton's Frenchman Jean Alesi.

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Banned Dourthe accuses England

Rugby Union

Richard Dourthe, the French centre suspended for a month for stamping on the head of Ben Clarke, yesterday accused English players of worse acts of violence.

Dourthe said he thought the media fuss over the incident during France's 15-12 win over England in Paris last Saturday had been out of proportion and that he had seen many acts of violence by English players in the past which had gone unpunished.

"But I don't think we should do things the way they do," he said. "That's the English mentality and perhaps we are more intelligent."

Dourthe, who has been replaced by Alain Penaud for the match against Scotland, said he had learned his lesson. "The punishment is fair and it's a good lesson for me. It punishes my act and one month is fine. It proves the injury was not serious."

Mike Hall, the Cardiff centre, is understood to have accepted £1,000 from Llanelli as compensation for suffering a broken jaw from a punch thrown by Scarle's lock Tony Cospey when the sides met in a Heineken League match on 30 September.

The injury forced Hall to miss four League matches and Cardiff's game against the touring Fijians. It is believed the sum was arrived at by taking into account appearance money and bonus opportunities denied him, plus the cost of treatment.

Rob Andrew finally makes his competitive debut for Newcastle when he faces Harlequins in the Pilkington Cup fifth round at Kingston Park tomorrow. The ex-England outside-half has been restricted to a handful of friendly and second team games since his departure from Wasps to become the Newcastle supremo.

Andrew, whose last competitive game was for Wasps in mid-October, said: "On a personal level I am very much looking forward to the game. It is a big challenge for me as I have not played serious rugby for a few months."

"There is a lot of expectation, but how my form is I will have to find out. But I have been living with the pressure for 10 years now and I am used to it."

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SPORT

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22

Asprilla makes his way to Newcastle

Football
PHIL SHAW

Newcastle United are set to conclude their pursuit of Parma's controversial Colombian international striker, Faustino Asprilla, by signing him for a club-record fee of £7m today.

Asprilla, 26, reportedly flew to London from Milan last night, en route to Tyneside, having agreed a four-year contract with the Premiership leaders worth £15,500 a week. The deal would take Kevin Keegan's outlay in the transfer market beyond the £40m mark in four years as Newcastle manager.

Talking on Italian television

prior to his departure, Asprilla said: "I'm sad to leaving because I've had some good years in this city with this team. It would be a challenge playing in England. The prospect of taking part in the European Cup next season is an exciting one. He admitted his relationship with Parma's coach, Nevio Scala, had been "tense", adding: "Perhaps it's time to go."

Described by Colombia's former national coach, Francisco Maturana, as "always partying and hard to control", Asprilla is on probation in his home country following a firearms offence. If he joins Newcastle, he would have to report to the Colombian Embassy once a month.

Another Parma player, the Portuguese defender Fernando Couto, has emerged as a possible target for Manchester United. On the recommendation of the former England manager Bobby Robson, under whom Couto played at Porto, Alex Ferguson and his chief scout, Les Kershaw, watched the 26-year-old centre-back play for Portugal in Wednesday's 3-2 defeat by France in Paris. Parma value Couto at £5m.

United yesterday confirmed that they have held talks with Milan about establishing a player-exchange system aimed at circumventing the Bosman ruling. Under the proposed agreement, Milan would have first option on any United player coming to the end of his contract, and vice-versa.

Paul Gascoigne has been ordered to stand trial in Italy next October on charges of injuring a photographer in Rome 18 months ago. The Rangers and England midfielder, who was then with Lazio, is alleged to have injured the photographer when trying to remove a roll of film from his camera. Gascoigne's legal adviser, Mel Stein, said: "If we have to make a plea it will be not guilty."

Birmingham's hopes of signing Vinny Samways from Everton and Vinnie Jones from Wimbledon were dashed yesterday. Samways was prepared

to take a wage cut of £3,000 a week but still could not agree personal terms, while an offer of £300,000 for Jones was rejected.

Wimbledon offered their captain when Barry Fry, the Birmingham manager, asked inquired about Andy Clarke. "Sam Hamman said someone like Vinnie would do us the world of good," Fry said. "Not that he can play, but he's a good leader."

Leeds United have signed Uli Borowka, the 33-year-old German international utility defender, on loan from Werder Bremen until the end of the season. Bolton Wanderers are seeking clearance for Mohammed Ben Sylva, a striker

from Guinea who is in dispute with his Dutch club, Willem II.

Ian Walker, the Tottenham goalkeeper, is doubtful for tomorrow's FA Cup match against Wolves after returning from the England "get-together" with a stomach complaint. Stuart Pearce may miss Nottingham Forest's tie with Oxford after sustaining a calf injury with England.

Gerry Francis is looking for justice from Uefa when they consider Tottenham's appeal against a European suspension in Geneva today.

The Spurs manager believes they have an "outstanding" case in their attempt to overturn the one-year ban, imposed by the governing body of European

football for the club's lukewarm approach to the Inter-Cup last summer. "If there is any justice and commonsense it will all come out right," he said. "If the ban stands it would destroy everything we have all worked so hard to achieve."

Italy's clubs were left confused after a meeting with Uefa in Rome yesterday to discuss the Bosman ruling. The Uefa president Lennart Johansson, from whom many Italian clubs had expected guidance, told them that the path to follow was an agreement among themselves. Asked what Uefa would do if clubs ignored the rules, Johansson said: "We won't be able to issue judicial sanctions, only moral ones."

Comeback of career from Seles

Tennis

Monica Seles produced one of the comebacks of her career to win a place in her fourth Australian Open final by beating the teenager Chanda Rubin in three sets in Melbourne yesterday.

Seles faces the eighth seed, Andre Huber, after the German reached her first Grand Slam final with a three-set win over the South African Amanda Coetzer.

The 22-year-old Seles, favourite to win her ninth Grand Slam title in the absence of the injured Steffi Graf, came back from 5-2 down in the third set to win an epic semi-final 6-7, 6-1, 7-5 against the talented American, who was facing Seles for the first time.

Seles, the joint world No 1 who has suffered nagging injuries throughout the tournament, had to dig deep to level the match in the second set against an inspired Rubin after losing the first on a tie-break.

Rubin, who had beaten the world No 3, Arantxa Sanchez Vicario, in a three and a half hour quarter-final, followed the same do-or-die approach and at 5-2 in the deciding set the Centre Court crowd scented an upset. But Seles - never beaten in Australia in 31 matches, 27 of them at the Australian Open - had other ideas.

Seles held serve and at 5-3 she finally cracked Rubin's pound-

ing serve for the first time in the set, and then broke again to set up a remarkable victory and bring the crowd to its feet.

Seles, who won the event three years running before her stabbing in April 1993, said she felt lucky to have reached the final. "I just can't believe it, because at 5-2 I was pretty sure it was goodbye," she said. "I'm very lucky to be in the final."

Rubin, who won a protracted standing ovation for her victory over Sanchez Vicario, said she tried to dominate Seles by going for her shots. "I tried to stay aggressive and I think I did that pretty well. I gave myself chances but I didn't close it out."

Seles, who has beaten Huber twice since coming back from her 28-month lay-off, predicted a hard-fought final tomorrow. The German lived dangerously against 16th-seeded Coetzer. After losing the first set, she changed tactics and slowed down the pace of the match against the diminutive South African who was chasing down everything.

"I tried to hit too many winners," Huber said. "In the second set I played a little bit smarter, some more topspin, some high balls. I changed the rhythm a little bit and that was the important thing."

Steffi Graf misses next week's Pan Pacific Open in Tokyo after an operation on a chipped bone in her left foot.

Results, Sporting Digest, page 23



Out of the shadows: Andre Huber, of Germany, on her way to beating Amanda Coetzer to reach her first Grand Slam final in Melbourne yesterday

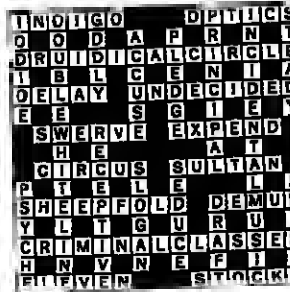
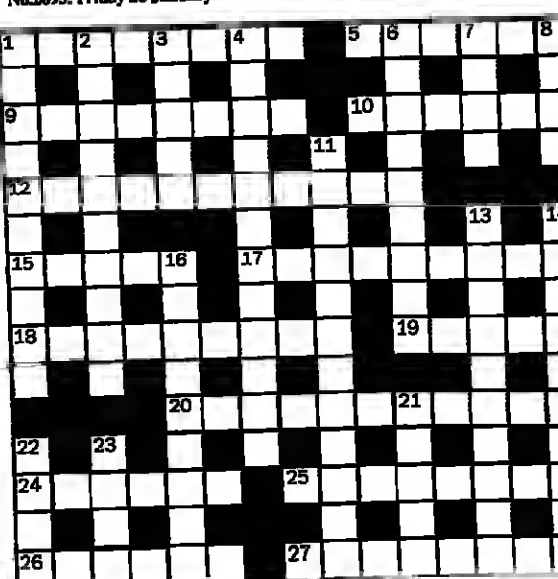
Photograph: Chris Cole/Emphas

THE INDEPENDENT CROSSWORD
in association with

No. 2893, Friday 26 January

By Spence

Yesterday's Solution



- ACROSS**
- Pasta dish was exquisite (8)
 - Carriage, one parked in drive (6)
 - Split duties in reorganisation (8)
 - Swindle run by church? (6)
 - Using your holiday entitlement? Bon voyage! (5-6)
 - Young lecturer accepts English post (5)
 - Make great play of, possibly? (9)
 - George is hopelessly round the bend - it's outrageous (9)
 - Bit of self-indulgence that is incorporated into routine, mostly? (3-2)

- DOWN**
- Greek character gets dungeoned extremely tarry - he sneers people (10)
 - The occasional book, but no regular employment (6, 4)
 - What's new in the fashion line? (5)
 - Beet camera's found in waiting-room (11)
 - Firm in Maine about to reveal profit (6)
 - A rodent almost devoured by an insect? Well! (8)
 - Dress, with some hesitation, in borsehair? (6)
 - Security guard given to understanding student's hiding books at home (8)

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Norman conquers fever

Golf

ANDY FARRELL
reports from Singapore

Greg Norman has had a lot to get off his chest here this week. Mainly, it has been the infection which was picked up from his son before leaving home on Sunday. That he played at all in the first round of the Johnnie Walker Classic, so earning a reputed £200,000 appearance fee, was a surprise after reports the previous day of his temperature soaring into the 100s.

Then, there was the mischance at the 15th on Tanah Merah's Garden Course which landed in the water. His caddy, Tony Navarro, got the blame for that, if not quite the club round his throat. "The worst part," Norman said after a one-under-par 71, "was not having seen the course before. Some holes I didn't know where to go, like on the par-five 15th. I was told to hit it 200 yards and it went 200

yards, straight into the water. You don't like to make stupid mistakes, especially when laying up on a par five. Tony was glad to see me get mad because he said that means I care. You have to get it off your chest."

Two years ago, in Phuket, Norman won the title after missing his practice rounds. Then he opened with a 75 to be nine shots behind the lead. This time he found himself only five adrift of his fellow Australian Bradley Hughes and Sweden's Olle Karlsson. "Two years ago, at least, I had been round in a huff. This is the first time I have played a course blind in a tournament. On Wednesday it was very doubtful whether I would play. Friends said I should go home to Australia to rest for the weekend, but I felt I was improving."

Norman, like all the afternoon starters, was not helped by a thunder and lightning storm which suspended play for almost two hours. This event may be

only one third European (and one third Australian and one third Asian), but there were enough Englishmen around to appropriate their national cricket team's ability for drought relief. The downpour meant 45 players failed to complete their rounds after the resumption.

The delay prevented Ernie Els joining Ian Woosnam in being honorary bartenders serving the Black Label at a charity do, but the South African will not have worried after producing a bogey-free 67. Woosnam, too, was probably unconcerned after an opening 69. Bernhard Langer and the defending champion, Fred Couples, are both lurking on 68, but the round of the day (relatively) belonged to John Daly. The Open champion joined Els on five under, in contrast to his 80 (with an eight at the first) in the same sponsor's World Championship a month ago.

First-round scores.
Sporting Digest, page 23

Hooper pulls out of World Cup

Cricket

TONY COZIER

Citing "personal and health reasons" the Kent all-rounder Carl Hooper yesterday pulled out of the West Indies World Cup team to which he had been named only the day before. He said he would not be available for the subsequent home series against New Zealand either.

Hooper told the West Indies board that, "given his mental and physical state over the past year," his decision had to be made "in his best interest and that of West Indies cricket." He said that once he was back in shape he would be keen to play for the West Indies again.

Hooper's decision coincides with the return of Brian Lara, whose similarly late withdrawal

aborted his tour of England with the West Indies last summer and was only persuaded to continue after a session with the psychologist Mike Brearley, the former England captain.

His place in the World Cup squad had gone to the fast bowler Cameron Cuffy, emphasising the absence of gifted all-rounders in the West Indies at present.

The Border Cricket Board have been fined 5,000 rand (£914) by the United Cricket Board of South Africa for preparing a substandard pitch for the sixth one-day international between South Africa and England in East London last week. In the match, the sixth of the seven one-day internationals, South Africa were bowled out for 129 and England were dismissed for 115.

Waugh's hit Australia, page 21

He became so disenchanted with the game that he sought to

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